### The **Constitution** Unit

# DEVOLUTION MONITORING PROGRAMME 2006-09

## Devolution and the Centre Monitoring Report May 2009

Robert Hazell and Simon Black
The Constitution Unit

www.ucl.ac.uk/constitution-unit



#### **The Devolution Monitoring Programme**

From 1999 to 2005 the Constitution Unit at University College London managed a major research project monitoring devolution across the UK through a network of research teams. 103 reports were produced during this project, which was funded by the Economic and Social Research Council (grant number L 219 252 016) and the Leverhulme Nations and Regions Programme. Now, with further funding from the Economic and social research council and support from several government departments, the monitoring programme is continuing for a further three years from 2006 until the end of 2008.

Three times per year, the research network produces detailed reports covering developments in devolution in five areas: Scotland, Wales, Northern Ireland, the Englsh Regions, and Devolution and the Centre. The overall monitoring project is managed by Professor Robert Hazell at The Constitution Unit, UCL and the team leaders are as follows:

Scotland: Dr Paul Cairney

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English Regions: Prof Alan Harding & Dr James Rees

IPEG, University of Manchester

The Centre: Prof Robert Hazell, The Constitution Unit, UCL

The Constitution Unit and the rest of the research network is grateful to all the funders of the devolution monitoring programme.











All devolution monitoring reports are published at: <a href="http://www.ucl.ac.uk/constitution-unit/research/devolution/devo-monitoring-programme.html">http://www.ucl.ac.uk/constitution-unit/research/devolution/devo-monitoring-programme.html</a>

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**Robert Hazell and Simon Black** 

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#### **Chronology of Events: January 2009 to May 2009**

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16 April	Cabinet meets in Scotland for the first time in 88 years.
22 April	Chancellor of the Exchequer presents annual budget to Parliament.
1 May	Welsh Affairs Select Committee publishes report criticising the Ministry of Justice for a 'disturbing' lack of awareness of devolution.
8 May	The Daily Telegraph starts publishing leaked details of MPs expenses, implicating all major political parties in the House of Commons.
19 May	Speaker of the House of Commons Michael Martin announces his resignation, triggering a by-election in his Glasgow constituency.
24 May	The House of Commons Justice Committee publishes its report Devolution: a Decade On.

#### 1. INTRODUCTION: MONITORING THE UNION

This latest report, published as part of the Constitution Unit's Devolution Monitoring Programme, covers developments in territorial politics at 'the centre' and across the UK as a whole from January to the end of May 2009.

The monitoring period includes the 10<sup>th</sup> anniversary of devolution in Scotland and Wales. This stimulated a period of reflection, with speeches and events marking the anniversary at Cardiff Bay and Holyrood. At Westminster, the House of Commons Justice Committee published a wide-ranging review of the devolution settlement in its report 'Devolution: a Decade On' (see section 5.1). Notably, the report described England as the 'unfinished business of devolution', advocating 'fundamental change' to approach the divisive 'English question'. The Government had hoped that its Regional Select Committees (see section 5.5), which were finally set up and began meeting during the period covered, would be a panacea to the patent lack of regional strategy and accountability within England. However, with the lack of cross-party support – upon which select committees traditionally find their legitimacy – their future looks dependent upon the outcome of the next general election.

In Scotland, the SNP Government pushed on with its 'National Conversation' on Scotland's constitutional future. However, the debate shifted with the deteriorating global economic backdrop. The dramatic fall of the Icelandic economy, and the savings of Scottish councils that its bankrupt financial sector took with it, has became a thorn in the side of secessionists; Alex Salmond's comments in 2006 that Scotland could be a part of 'Northern Europe's arc of prosperity' with, *inter alia*, Iceland came back to haunt him. Meanwhile, unionist voices became emboldened by the more interventionist stance taken by Westminster. The new Scottish Labour leader, Iain Gray MSP, pointed to the £33bn that had been ploughed into Scottish banks – more than the Scottish Government's annual budget – while Scottish Lib Dem leader, Tavish Scott, branded independence 'economic suicide'<sup>2</sup>. Though the SNP argued that the recession strengthened the case for independence, their line appeared to soften.

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<sup>&</sup>lt;sup>1</sup> SNP, 'Scotland can Join Europe's Arc of Prosperity', <a href="http://www.snp.org/node/10359">http://www.snp.org/node/10359</a>, 8<sup>th</sup> November 2006.

<sup>&</sup>lt;sup>2</sup> BBC News, 'Scotland 'needs spending powers', http://news.bbc.co.uk/nol/ukfs\_news/hi/newsid\_7900000/newsid\_7907300/7907310.stm, 24<sup>th</sup> April 2009.

The **All Wales Convention** held its first public meetings, amid heavy criticism from both sides of the territorial-political divide. Fearful of low-turnouts at the meetings, the Convention lured people in with promises ranging from free curry<sup>3</sup> to polka dancing with female vocalist Bernie Nolan.<sup>4</sup> Labour and Conservative MPs in Westminster called the meetings 'shambolic'<sup>5</sup>, and accused it of 'going around demanding extra powers for the Welsh Assembly'<sup>6</sup>. Meanwhile, the leading pro-devolution pressure group Tomorrow's Wales accused it of 'spreading apathy' and being 'overly simplistic' in its approach.<sup>7</sup> The Convention aims to gauge public opinion, ahead of a referendum asking if the Assembly should obtain full law-making powers. However, there is still uncertainty as to whether the referendum will take place before or on the next Assembly elections in 2011, if at all.

The **Northern Ireland Act 2009** received Royal Assent on 12<sup>th</sup> March 2009, finally allowing the process of devolving policing powers to begin in earnest (see section 3.4). This came amid heightened tensions in the six counties as two soldiers, a policeman and a community worker were murdered. Devolving powers over the police and judiciary has been long in the making, but still requires collaboration amongst the divergent parties in the Northern Ireland Assembly to reach consensus on the arrangements before the deadline of May 2012.

Inter-governmental conflict over finance was delayed by a resurgence in Keynesian economics at the Treasury, whose plans for the biggest annual government post-war deficit were revealed at the annual **budget** (see sections 6 and 3.2). However, as public expenditure is due to drop after 2009 and budgets are squeezed across the UK, the territorial financial settlement will continue to rise up the political agenda. It is widely acknowledged that the 'Barnett Formula' has been long overdue for reform. Two independent inquiries – the Calman and the Holtham Commissions (see sections 3.2.2 and 3.2.3) – continued hearing evidence, while

<sup>&</sup>lt;sup>3</sup> BBC News, 'Assembly 'argy bhaji' on the menu,

http://news.bbc.co.uk/1/hi/wales/wales\_politics/7824654.stm, 14<sup>th</sup> January 2009.

Wales On Sunday, 'Polka and politics – it's a heady mix', http://www.walesonline.co.uk/news/columnists/2009/04/19/polka-and-politics-it-s-a-heady-mix-91466-23416443/, 19<sup>th</sup> April 2009.

<sup>&</sup>lt;sup>5</sup> Don Touhig MP (Labour); Commons Hansard, 28 January 2009, Col. 284

<sup>&</sup>lt;sup>6</sup> David T.C. Davies MP (Conservative); Commons Hansard, 29 April 2009, Col. 850

Western Mail, 'Tomorrow's Wales attacks All-Wales Convention', <a href="http://www.walesonline.co.uk/news/wales-news/2009/04/30/tomorrow-s-wales-attacks-all-wales-convention-91466-23507970/">http://www.walesonline.co.uk/news/wales-news/2009/04/30/tomorrow-s-wales-attacks-all-wales-convention-91466-23507970/</a>, 30<sup>th</sup> April 2009.

the House of Lords commenced its own investigations in the ad-hoc **Barnett** Formula Committee (see section 5.8). All are expected to report later in 2009.

As the UK's economy continued its slide into recession, amid mounting discontent, expectations were that the constitution would be pushed aside to deal with more materially-pressing issues. These were spectacularly rebuffed when leaked expenses claims implicated all major political parties, and public trust in Westminster disintegrated. However, in the devolved nations the debate over devolution continues unabated. But although much power has been shifted away from the centre, the future of the UK's devolution settlement still depends on who is in power at Westminster, and what their policies are. With both legislative time and political capital now exhausted by the present Labour government, this awaits the outcome of the next general election.

#### 2. POLITICAL PARTIES

#### 2.1 Labour

It has been a humbling five months for the all wings of the Labour party. At the centre, a steady trickling away of public support and authority has come to characterise the latter half of Gordon Brown's premiership. In January, four Labour peers were implicated in "cash-for-influence" revelations<sup>8</sup>, then wildcat strikes against foreign workers used Gordon Brown's ill-advised turn of phrase 'British jobs for British workers'9. Following this, Damian McBride's resignation<sup>10</sup> row brought fresh questions to the leadership of Gordon Brown, who was not immune to criticism even from inside his own cabinet; alluding to Brown's online video campaign for expenses reform, Secretary of State for Communities and Local Government, Hazel Blears, famously remarked: "YouTube if you want to." 11 Meanwhile, Labour was defeated in Parliament by a campaign led by the Ghurkhas' own Iron Lady: Joanna Lumley. 12 Finally, and most damagingly, the ubiquitous expenses scandal hit in May, with Labour in the initial firing line as the *Telegraph* revealed claims made by various MPs ranging from the extortionate to the absurd. 13 According to one survey, Labour had dropped to almost half the popular vote in opinion polls to that of the Conservatives. even though many prominent Tories had also been implicated in the uproar. 14 With European elections due on 4 June, morale within the Labour party had sunk to a new nadir.

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<sup>&</sup>lt;sup>8</sup> The Independent, 'Labour peers face inquiry over "cash for influence" report', http://www.independent.co.uk/news/uk/politics/labour-peers-face-inquiry-over-cash-for-influence-report-1515737.html, 26<sup>th</sup> January 2009.

<sup>&</sup>lt;sup>9</sup> Irish Times, 'Strikes over 'foreign' workers embarrass Labour',

<a href="http://www.irishtimes.com/newspaper/world/2009/0131/1232923379462.html">http://www.irishtimes.com/newspaper/world/2009/0131/1232923379462.html</a>, Janaury 31<sup>st</sup> 2009

Guardian, 'Damian McBride resignation: How disaster struck when Labour took on a blogger' <a href="http://www.guardian.co.uk/politics/2009/apr/12/damian-mcbride-resignation">http://www.guardian.co.uk/politics/2009/apr/12/damian-mcbride-resignation</a>, 12<sup>th</sup> April 2009.

<sup>&</sup>lt;sup>11</sup> Hazel Blears in The Guardian, 'YouTube is no substitute for knocking on doors', http://www.guardian.co.uk/commentisfree/2009/may/02/hazel-blears-labour-gordon-brown, 3<sup>rd</sup> May 2009.

<sup>&</sup>lt;sup>12</sup> BBC News, 'Lumley in public clash on Gurkhas', http://news.bbc.co.uk/1/hi/uk\_politics/8037181.stm, 7<sup>th</sup> Mar 2009.

<sup>&</sup>lt;sup>13</sup> Telegraph, 'MPs' expenses: Full list of MPs investigated by the Telegraph', http://www.telegraph.co.uk/news/newstopics/mps-expenses/5297606/MPs-expenses-Full-list-of-MPs-investigated-by-the-Telegraph.html, 27<sup>th</sup> May 2009.

<sup>&</sup>lt;sup>14</sup> Telegraph, 'MPs' expenses: Labour party heading for worst election results in 30 years', http://www.telegraph.co.uk/news/newstopics/mps-expenses/5304077/MPs-expenses-Labour-party-heading-for-worst-election-results-in-30-years.html, 10<sup>th</sup> May 2009.

For Scottish Labour's third leader in less than two years, Iain Gray MSP, the story was equally grim. Fresh from being slapped down in September 2008 by Westminster for attempting to claim a mandate beyond Scotland<sup>15</sup>, Mr. Gray entered the New Year clashing with the Government in Scotland instead. First in January there was councillor Glaswegian Colin Deans - who had left the SNP in 2008 and was duly branded 'Labour's new councillor' by Gray - who announced in January that he would become an independent instead. 16 Things improved for Labour, however, when Mr. Gray and his band of MSPs were instrumental in the unprecedented defeat of the Scottish government budget. The budget only passed after Finance Minister John Swinney agreed to Labour's demands to boost apprenticeships.<sup>17</sup> They were also forced to drop proposals to introduce a local income tax. However, in late March Mr. Gray was excoriated in the Scottish Parliament by Alex Salmond for 'misleading' it. Gray had claimed an apprentice was let down by SNP policies, though it was later discovered he had already started another job. 18 However, events in Holyrood were overshadowed by those in Westminster, as the expenses scandal led to the resignation of the Speaker, Michael Martin, forcing a tough by-election in Glasgow North East - traditionally a Labour safe seat. 19

In the run up to the European elections in June, the Glasgow by-election in the autumn, and finally the general election the following year (or sooner as both David Cameron and Alex Salmond called for<sup>20</sup>), Scottish Labour was fighting a rearguard action whilst fearing for the seats many forecasts predicted it would lose.<sup>21</sup>

2009.

<sup>&</sup>lt;sup>15</sup> The Telegraph, 'lain Gray forced to deny 'turf war with Westminster on first day', http://www.telegraph.co.uk/news/newstopics/politics/scotland/2957904/lain-Gray-forced-to-deny-turf-war-with-Westminster-on-first-day.html, 14<sup>th</sup> September 2008.

The Herald, "Labour's newest councillor' set to go independent', <a href="http://www.theherald.co.uk/politics/news/display.var.2479693.0.Labours\_newest\_councillor set">http://www.theherald.co.uk/politics/news/display.var.2479693.0.Labours\_newest\_councillor set to go independent.php, 7th January 2009.</a>

<sup>&</sup>lt;sup>17</sup> BBC News, Success and challenge for Labour,

http://news.bbc.co.uk/1/hi/scotland/7920580.stm, 6th March 2009.

The Herald, 'Gray 'misled parliament' in row over apprentice', <a href="http://www.theherald.co.uk/search/display.var.2498108.0.gray\_misled\_parliament\_in\_row\_over\_apprentice.php">http://www.theherald.co.uk/search/display.var.2498108.0.gray\_misled\_parliament\_in\_row\_over\_apprentice.php</a>, 27th March 2009.

<sup>&</sup>lt;sup>19</sup> BBC News. 'By-election due in Speaker's seat',

http://news.bbc.co.uk/1/hi/scotland/8057400.stm, 19<sup>th</sup> May 2009.

The Scotsman, 'Salmond in fresh call for general election', http://news.scotsman.com/latestnews/Salmond-in-fresh-call-for.5291694.ip. 21<sup>st</sup> May

<sup>&</sup>lt;sup>21</sup> The Times, 'Labour's poll fear for Scottish MEP', http://www.timesonline.co.uk/tol/news/uk/scotland/article6361598.ece, 25<sup>th</sup> May 2009.

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In Wales, the 'All Wales' coalition Welsh Assembly Government remained steady, albeit on shaky ground. In February, the Welsh Assembly Government decided to scrap its costly grant to Welsh university students, but only after internal disputes within Labour's partner in the coalition, Plaid Cymru.<sup>22</sup> Then in March, two weeks before the McBride scandal in Westminster, First Minister Rhodri Morgan was forced to distance himself from a video portraying senior Tory and Plaid Cymru politicians as vampires and clowns. 23 That same month, Plaid Cymru launched a website promoting independence for Wales, aimed at the younger generation.<sup>24</sup> But in a speech in April, Rhodri Morgan branded this a 'tactical blunder', and pleaded with voters to 'stick to Labour'. 25 Nevertheless, in a speech marking a decade of devolution at the end of the monitoring period, Mr. Morgan predicted that the Welsh Assembly would have a coalition government '50% of the time,' and warned that Welsh Labour should not expect other parties to see working with it as a 'privilege'.<sup>26</sup>

#### 2.2 Conservatives

Labour's slide in the polls has been matched by growing goodwill towards an emboldened Conservative Party. This was largely a matter of personality and leadership in front-page matters; while Cameron acted quickly on the expenses scandal, Brown was seen to dither. In the devolved administrations, surveys of voting intent had swung in the Tories' favour.<sup>27</sup> Despite this, the Conservatives have yet to articulate a cohesive position on devolution. The party's ideological opposition to devolution in the early Labour Government years has been replaced by an ambivalent lack of agreement or even debate today. On this matter, it was Cameron who was dawdling.

In November of last year former Welsh Secretary Wyn Roberts published a report calling on the Conservatives to 'initiate a root-and-branch examination of the system

<sup>25</sup> BBC News, 'Morgan's 'stick with Labour' plea',

<sup>&</sup>lt;sup>22</sup> BBC News, 'Student top-up fees split Plaid', <a href="http://news.bbc.co.uk/1/hi/wales/7904549.stm">http://news.bbc.co.uk/1/hi/wales/7904549.stm</a>, 22<sup>nd</sup> February 2009.

<sup>&</sup>lt;sup>23</sup> BBC News, 'Labour's 'vampire' attack on Tory',

http://news.bbc.co.uk/1/hi/wales/wales\_politics/7966565.stm, 27<sup>th</sup> March 2009.

<sup>&</sup>lt;sup>24</sup> www.walescan.com

http://news.bbc.co.uk/1/hi/wales/8017750.stm, 25<sup>th</sup> Arpil.

<sup>&</sup>lt;sup>26</sup> BBC News, 'Assembly 'to be 50% coalitions', http://news.bbc.co.uk/1/hi/wales/wales\_politics/8045859.stm, 12<sup>th</sup> May 2009.

<sup>&</sup>lt;sup>27</sup> Western Mail, 'Poll predicts Tory gains in Wales at the general election', http://www.walesonline.co.uk/news/wales-news/2009/03/14/poll-predicts-tory-gains-inwales-at-next-general-election-91466-23141316/, March 14<sup>th</sup> 2009.

of governance in Wales,'28 in the event of being elected in 2010. The review, which had been commissioned by David Cameron the previous March and took seven months to draft, stated that the party would 'consider' backing a referendum on further powers if the case were proven. However, the report also concluded that the devolution system was not working and that radical change was needed; though it fell short of clarifying what this might imply. Dismissing the report's lack of substantive ideas, the Welsh Liberal Democrats called the report 'a fudge', while Welsh Labour claimed the report's tardiness was a result of Cameron's 'dithering' over the central issue of devolution.<sup>29</sup> However, Welsh Conservative leader, Nick Bourne, stated it was a 'living document and will continue to be updated and revised in light of the ever changing situation regarding devolution.'<sup>30</sup>

Six months later, and the position was no clearer. At the end of May David Cameron visited North Wales, where he offered lukewarm support for devolution. He stated he wanted no further movement to extend it until the present system had been made to 'work properly'.<sup>31</sup>

As the Conservative party becomes increasingly confident about its general election prospects, it remains unclear what the devolution settlement would look like under a Tory Government in Westminster. What is believed to be likely, however, is that such a situation could play into the hands of those in the 'periphery' seeking more devolution of powers. As Lord Elystan Morgan, who led the Welsh pro-devolution campaign in 1979, stated tellingly in May, 'it wouldn't be a bad thing for Wales to have a year or two of Conservative Government.'<sup>32</sup>

http://news.bbc.co.uk/1/hi/wales/wales politics/8037763.stm, 7th May 2009.

<sup>&</sup>lt;sup>28</sup> Conservatives, 'Roberts Review points way ahead for devolution in Wales',

http://www.conservatives.com/News/News\_stories/2008/11/Roberts\_Review\_points\_way\_ahead\_for\_devolution\_in\_Wales.aspx, 17<sup>th</sup> November 2008.

<sup>&</sup>lt;sup>29</sup> Welsh Labour, 'Cameron's Dithering Delays Devolution Report',

http://www.welshlabour.org.uk/camerons\_dithering\_delays\_devolution\_report

<sup>&</sup>lt;sup>30</sup> BBC News, 'Tory study urges devolution probe',

http://news.bbc.co.uk/1/hi/wales/wales\_politics/7710828.stm, 5<sup>th</sup> November 2008.

Daily Post, 'Cameron promises to give North Wales a fairer deal', <a href="http://www.dailypost.co.uk/news/north-wales-news/2009/05/27/cameron-promises-to-give-north-wales-a-fairer-deal-55578-23720126/">http://www.dailypost.co.uk/news/north-wales-news/2009/05/27/cameron-promises-to-give-north-wales-a-fairer-deal-55578-23720126/</a>, 27<sup>th</sup> May 2009.

<sup>&</sup>lt;sup>32</sup> BBC News, 'Clash over date on powers vote',

#### 2.3 Liberal Democrats

While David Cameron took up the mantle of constitutional reformer,<sup>33</sup> the Liberal Democrats continued to be even more radical under their leader Nick Clegg. Though Cameron's declaration in January and then reaffirmation in May to reduce the number of MPs at Westminster by around 50 MPs both received widespread coverage in the media, the Liberal Democrats had already pledged to cut the number by some 150 in 2008.<sup>34</sup> Nick Clegg broke with centuries of convention by calling on the Speaker of the House of Commons, Michael Martin, to resign on 17<sup>th</sup> May 2009<sup>35</sup> (for which he was heckled by MPs at the subsequent Prime Minister's Questions<sup>36</sup>). But, as leaders of both main opposition parties smelt Labour blood, the Lib Dems' stated aim of beating Labour to third in the European Elections was batted aside by fears of a surge in fringe-party popularity.<sup>37</sup>

In Wales, the Liberal Democrats had a new leader in young Kirsty Williams, who was elected in December 2008. She said she wanted the party to get back to their 'radical reforming roots.'38 However, as the BBC's Welsh Affairs editor Vaughan Roderick noted, despite their views reflecting those of much of Wales, the party has a 'cuckoo in the nest occupying their political space, and that's Plaid Cymru.'39 She duly attacked Plaid Cymru and its Labour nesting-fellow in the One Wales Government at her maiden conference in April, saying they were 'fumbling around, clutching at straws'40. Though she has received an 'excellent' report from her party's leader<sup>41</sup> (who wields less power over her vis-à-vis other UK party leaders in the Lib Dems'

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<sup>&</sup>lt;sup>33</sup> BBC News, 'Is Cameron a revolutionary?',

http://news.bbc.co.uk/1/hi/uk\_politics/8068735.stm, 26<sup>th</sup> May 2009.

<sup>&</sup>lt;sup>34</sup> Guardian, 'Clegg calls for cut in number of MPs',

http://www.guardian.co.uk/politics/2008/mar/13/partyfunding.liberaldemocrats?gusrc=rss&feed=uknews, 13<sup>th</sup> March 2008.

<sup>&</sup>lt;sup>35</sup> BBC News, 'Clegg calls on Speaker to resign',

http://news.bbc.co.uk/1/hi/uk politics/8054140.stm, 17<sup>th</sup> May 2009.

<sup>&</sup>lt;sup>36</sup> Parliament TV, 'Commons Chamber: Wednesday 20 May',

http://www.parliamentlive.tv/Main/Player.aspx?meetingId=4055, 39 mins.

<sup>&</sup>lt;sup>37</sup> Mail on Sunday, 'Gordon Brown is neck and neck in Euro elections... with UKIP', http://www.dailymail.co.uk/debate/article-1183461/Gordon-Brown-neck-neck-Euro-elections--UKIP.html, 18<sup>th</sup> May 2009.

BBC News, 'Lib Dem candidate's vision', <a href="http://news.bbc.co.uk/1/hi/wales/7765905.stm">http://news.bbc.co.uk/1/hi/wales/7765905.stm</a>, 4<sup>th</sup> December 2008.

<sup>&</sup>lt;sup>39</sup> BBC News, 'Lib Dems targeting second place', http://news.bbc.co.uk/1/hi/wales/8003989.stm, 17<sup>th</sup> April 2009.

Wales on Sunday, 'Kirsty Williams hits at Labour and Plaid Cymru in maiden conference speech', <a href="http://www.walesonline.co.uk/news/welsh-politics/welsh-politics-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-conference-news/2009/04/19/kirsty-williams-hits-at-labour-and-plaid-cymru-in-maiden-cymru-in-m

speech-91466-23417151/, 19<sup>th</sup> April 2009.

<sup>41</sup> Ibid.

federal party structure), it remains to be seen whether she can tilt the argument in the Lib Dem's favour before the next Welsh Assembly elections in 2011.

In Scotland, the Liberal Democrats' collaborative approach with Labour stood in marked contrast to their Welsh counterparts. This is unsurprising, as both have much to gain politically in undermining the minority SNP Scottish Government. Both were instrumental in rejecting the Scottish Budget in January – a result that would bring the Government down in Westminster. However, when it came to extracting concessions it was Labour and the Tories that got the better deal. While the SNP agreed to Labour's demands for increased funding of apprenticeships and the Tories for cuts in business rates, the Lib Dems had to make do with Alex Salmond's agreement to meet with the Calman Commission. Funding for their main initiative, an £800m income tax cut, had been bluntly rejected.<sup>42</sup>

In May, Scottish Liberal Democrat leader, Tavish Scott, brought fresh tensions to the Party. With the expenses scandal in Westminster boiling over, Nick Clegg insisted that all Lib Dems would 'get out of the property game altogether' and would 'hand back any gain made when second homes are sold which were funded by the taxpayer'. However, Mr. Scott said the Scottish Lib Dems would not follow suit, and refused to confirm whether he had paid capital gains tax on a flat he had sold in 2005. Whether the expenses scandal would spill over into the devolved administrations was an open question at the end of the monitoring period.

<sup>&</sup>lt;sup>42</sup> Guardian, 'Scottish parliament passes Alex Salmond's revised budget', http://www.guardian.co.uk/politics/2009/feb/04/alex-salmond-snp-labour-scottish-parliament-budget, 4<sup>th</sup> February 2009.

<sup>&</sup>lt;sup>43</sup> The Herald, 'LibDems in second home profit call',

http://www.theherald.co.uk/news/news/display.var.2508003.0.LibDems\_in\_second\_homes\_profit\_call.php, 13<sup>th</sup> May 2009.

Sunday Herald, 'LibDem leader refuses to confirm tax payment', http://www.sundayherald.com/news/heraldnews/display.var.2508651.0.0.php, 16<sup>th</sup> May 2009.

#### 3. DEVOLUTION AND WHITEHALL

#### 3.1 Ministry of Justice

#### 3.1.1 - Justice Ministry 'unaware' of devolution?

On the 1st of May the Ministry of Justice was criticised in a strongly-worded report by the Common's Welsh Affairs committee for a 'disturbing' lack of awareness of devolution. He comments regarded the Ministry's decision to close its Legal Services Commission Cardiff office without consulting the Wales Office, and contacting the Welsh Assembly Government ostensibly 'as an afterthought'. They stated this was evidence of an 'inward-looking and metropolitan attitude that it is insensitive to the needs of a devolved administration,' which revealed 'a fundamental misunderstanding of the devolution settlement'. As the Ministry of Justice is tasked with overarching constitutional responsibilities, the committee found this 'disturbing' With further devolution expected in areas likely to affect Legal Aid applications, such as carer's rights and mental health, and continuing legal divergence between England and Wales, it urged that the decision be reversed.

The row suggests the Ministry has not significantly improved its approach to devolution – criticised in previous issues of this report – since Dr. Jim Gallagher's appointment as Director-General for Devolution Strategy in 2007. Dr. Gallagher is also working as secretary to the Calman Commission on devolution in Scotland (see section 2.1).

Two of the Justice Committee's recommendations from its report on devolution – of a central department tasked with managing devolution, and more systematic education of civil servants on devolution (see section 5.1.1-2) – would help plug such knowledge-gaps in Whitehall.

<sup>&</sup>lt;sup>45</sup> Welsh Affairs Committee, 'Seventh Report: Legal Services Commission Cardiff Office', HC 374

 $<sup>\</sup>underline{\text{http://www.publications.parliament.uk/pa/cm200809/cmselect/cmwelaf/374/37402.htm}, \\ 21^{\text{st}} \text{ April 2009.}$ 

<sup>&</sup>lt;sup>46</sup> Ibid. p. 9, para. 18

#### 3.1.2 - Report on People with Mental Difficulties in the Criminal Justice System

On April 30<sup>th</sup> the government welcomed Lord Bradley's report on people with mental health problems or disabilities in the Criminal Justice System.<sup>47</sup> It agreed reform was needed, and said it would establish a National Programme Board to discuss the implementation of the Bradley Report with Welsh Assembly Government Officials with respect to devolved powers. The WAG is conducting a separate consultation entitled 'Secure Mental Health Services for Wales', and will consider the findings of the Bradley Report alongside that review.

#### 3.1.3 - Rights and Responsibilities Green Paper (Bill of Rights)

On March 23<sup>rd</sup> the government unveiled its Green Paper<sup>48</sup> on constitutional reform regarding the implementation of a British Bill of Rights and Responsibilities, launching a public consultation.<sup>49</sup> It acknowledged that a discussion of a UK-wide Bill 'raises important questions about the relationship between rights, responsibilities and the UK's governance arrangements in respect of devolution.<sup>50</sup>

Regarding Northern Ireland's own Bill of Rights<sup>51</sup>, which the Northern Ireland Assembly has been pursuing since its inception, the Green Paper states 'the Government does not wish the public debate around a UK instrument to detract from the process relating to a potential Bill relating to the particular circumstances of Northern Ireland.'<sup>52</sup>

The government in Westminster cannot bring forward legislation in time before the next general election. However, with all three major parties supporting a Bill of Rights in principle, it is likely to re-emerge as a salient issue for the next Parliament.

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<sup>&</sup>lt;sup>47</sup> Ministry of Justice, Lord Bradley report on people with mental health problems or learning disabilities in the Criminal Justice System: government response', <a href="http://www.justice.gov.uk/publications/docs/bradley-mental-health-cjs-gov-response-grid.pdf">http://www.justice.gov.uk/publications/docs/bradley-mental-health-cjs-gov-response-grid.pdf</a>, 23<sup>rd</sup> March 2009.

<sup>&</sup>lt;sup>48</sup> Ministry of Justice, 'Rights and responsibilities: developing our constitutional framework ', http://www.justice.gov.uk/publications/docs/rights-responsibilities.pdf, 23<sup>rd</sup> March 2009.

<sup>&</sup>lt;sup>49</sup> Online at: <a href="http://governance.justice.gov.uk/">http://governance.justice.gov.uk/</a>

<sup>&</sup>lt;sup>50</sup> Ministry of Justice, 'Rights and responsibilities: developing our constitutional framework', p. 58, para 4.32

<sup>&</sup>lt;sup>51</sup> See the Northern Ireland Bill of Rights Forum's final report Recommendations to the Northern Ireland Human Rights Commission for a Bill of Rights in Northern Ireland, at: <a href="http://www.billofrightsforum.org/borf\_final\_report.pdf">http://www.billofrightsforum.org/borf\_final\_report.pdf</a>

<sup>&</sup>lt;sup>52</sup> Ministry of Justice, 'Rights and responsibilities', p. 60, para. 4.38

#### 3.2 HM Treasury

The first five months of 2009 saw the UK economy continue to slide into the most rapid downturn since World War II, with the Treasury downgrading its growth forecast several times to an estimate of -4.5%. With declining tax receipts and a squeeze on the public finances inevitable, the territorial financial settlement will continue to grow as a source of conflict between the devolved administrations and Westminster.

#### 3.2.1 - Budget

On 22<sup>nd</sup> April 2009, Chancellor Alistair Darling presented his annual budget to Parliament, one month later than planned due to the emergency G20 financial summit in London.<sup>53</sup> For the devolved administrations, block grants rose above the rate of inflation (albeit slightly), while increased spending in UK Government departments resulted in Barnett consequentials of £60m to the Welsh Assembly Government, £104m to the Scottish Executive, and £143m to the Northern Ireland Assembly Executive respectively. Their reaction was mixed.

In Wales, deputy first minister and leader of Plaid Cymru, Ieuan Wyn Jones, said that efficiency savings imposed upon it 'should have been delayed until after the recession', while leader of the WLGA, John Davies, stated many of the "One Wales" commitments had now become 'unrealistic and unaffordable'54. In Northern Ireland, finance minister Nigel Dodds bemoaned the reduction in public funding available, but he did note that 'the net impact is less than had been feared.'55 However, the bulk of consternation was aired in Scotland, as the SNP and Labour locked heads over the numbers.

The rhetorical battle centred on the difference between "efficiency savings" and "cuts" in public services, and whether a lowering of the increase previously projected in the Pre-Budget Report itself amounted to a cut. While SNP leader Alex Salmond claimed

<sup>&</sup>lt;sup>53</sup> HM Treasury, 'Budget 2009: Building Britain's future', <a href="http://www.hm-treasury.gov.uk/bud">http://www.hm-treasury.gov.uk/bud</a> bud09 repindex.htm, 22<sup>nd</sup> April 2009.

Daily Post, 'The budget: how it affects you in North Wales', <a href="http://www.dailypost.co.uk/news/north-wales-news/2009/04/23/the-budget-how-it-affects-you-in-north-wales-55578-23453371/">http://www.dailypost.co.uk/news/north-wales-news/2009/04/23/the-budget-how-it-affects-you-in-north-wales-55578-23453371/</a>, 23<sup>rd</sup> April 2009.

Northern Ireland Executive, 'Dodds responds to better than feared budget outcome', <a href="http://www.northernireland.gov.uk/news/news-dfp-220409-dodds-responds-to">http://www.northernireland.gov.uk/news/news-dfp-220409-dodds-responds-to</a>, 22<sup>nd</sup> April 2009.

Westminster was cutting £500m for each of the next two years and putting '9,000 jobs in jeopardy'<sup>56</sup>, Gordon Brown claimed there was '£2bn more for Scotland' and that any suggestion otherwise was of 'the dream world of the SNP'<sup>57</sup>.

Nevertheless, the SNP's ability to hold Westminster accountable for cuts in its grant and thus public services underscores one of the central problems of the UK's 'Barnett' method of territorial financial settlement: financial accountability. As this formula becomes increasingly contentious in a backdrop of future declines in public expenditure, it will be interesting to see what recommendations are made by the Lords Select Committee on the Barnett Formula (see section 5.8), along with the Calman and Holtham Commissions (see below).

#### 3.2.2 - Calman Commission

The Scottish Devolution Commission, chaired by Sir Kenneth Calman, continued taking evidence in preparation for its full report. The Commission was set up by the three opposition parties in the Scottish Parliament to review devolution in Scotland, including possible reforms to the territorial financial settlement. It will not, however, consider full autonomy of fiscal powers 'this is inconsistent with the Union'<sup>58</sup>.

For this reason, the SNP had originally refused to cooperate with it. However, they did engage with it marginally in Spring 2009, providing it with evidence for the devolution of fiscal powers. John Swinney laid out the different options for reform of territorial finance, while stressing that full independence was his favoured route. Their contact came as part of horse-trading with the Lib Dems over the Scottish Budget (see sections 2.1 and 2.3), though the nationalists claimed their opposition to the Commission had not softened.

In March, Prime Minister Gordon Brown further elevated the position of the Commission in his speech to Scottish Labour:

<sup>&</sup>lt;sup>56</sup> Times, 'Salmond meets Brown over economic crisis',

http://www.timesonline.co.uk/tol/news/uk/scotland/article5805093.ece, 31st May 2009.

<sup>&</sup>lt;sup>57</sup> Commons Hansard, 22 April 2009, Col. 236,

http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090422/debtext/90422-0003.htm

<sup>&</sup>lt;sup>58</sup> BBC News, 'Full Scots fiscal power ruled out',

http://news.bbc.co.uk/1/hi/scotland/7759382.stm, 2<sup>nd</sup> December 2008.

<sup>59</sup> Scottish Government, 'Scottish Government Contact with the Calman Commission', http://www.scotland.gov.uk/Topics/a-national-conversation/calcommscotgov

'We look forward to the Calman Commission's recommendations this summer. I can assure you today that if there are measures in this report which help Scots, and strengthen the union, I will support them, as all responsible Scottish politicians will.'60

Though there are several bodies considering reforms to the UK's territorial financial settlement, the Calman Commission appears to have the most clout. Whether it will provide a 'blue-print' for overhauling Scotland's funding, or even the 'Holy Grail' of the future formula of the UK's territorial financial settlement remains to be seen. Its final report will be published on Monday 15<sup>th</sup> June.

#### 3.2.3 - Holtham Commission<sup>61</sup>

The Independent Commission on Funding and Finance for Wales, chaired by Gerald Holtham, held two meetings during the monitoring period:

- In January, it met with officials from the Northern Ireland Executive to consider Sir David Varney's review of tax policy in Northern Ireland, the Executive's work on needs assessment, and the impact of the 'Barnett squeeze'.
- In February, it heard evidence from First Minister for Scotland Alex Salmond, as well as other Scottish Government officials. They discussed the Scottish Government's 'National Conversation', relationships between devolved administrations, and the possibility of devolving further fiscal powers to these administrations.
- Commission representatives also maintained informal contact with counterparts from the Barnett Formula Select Committee (see section 5.8) and Calman Commission (see above). The latter recognised that 'having a number of separate reports on devolution funding published around the same time without any overall coordination could dilute their total impact.'62

<sup>60</sup> stv, 'Gordon Brown's speech to Scottish Labour', <a href="http://news.stv.tv/politics/80747-gordon-browns-speech-to-scottish-labour">http://news.stv.tv/politics/80747-gordon-browns-speech-to-scottish-labour</a>/, 6<sup>th</sup> March 2009.

<sup>61</sup> Independent Commission on Funding and Finance for Wales,

http://wales.gov.uk/icffw/home/?lang=en

#### 3.3 Scotland Office

The Secretary of State for Scotland, Jim Murphy, continued in his constitutional role as 'custodian of the Scotland Act and secondary legislation,' 63 with several measures taken through Parliament as well as hosting summits, and answering Scottish Questions at Parliament.

#### 3.3.1 - Glasgow 2014

Scottish Secretary Jim Murphy announced in January that the UK Government is bringing forward legislation on intellectual property rights for the 2014 Glasgow Commonwealth Games.<sup>64</sup> Intellectual property is a reserved matter under the Scotland Act (1998) and so legislation must be carried through Westminster. Under the measures, the resale of tickets (or 'ticket touting') for Glasgow 2014 events will be illegal, as it is for the London 2012 Olympic Games.

#### 3.3.2 - Economic Summit

In March the Secretary of State for Scotland met with CBI Scotland, STUC and Alex Salmond to discuss Scotland's response to the economic crisis. However, the meeting was overshadowed by the much-anticipated meeting of Gordon Brown with the leaders of the devolved administrations a fortnight previously (see section 6.2). No joint statement was released.

#### 3.3.3 - Broadcast Summit

In March, Jim Murphy hosted a 'Broadcasting Summit' with the Department for Culture, Media and Sport to discuss the future of Scottish broadcasting in light of Ofcom's Public Service Broadcasting Review findings.<sup>66</sup>

<sup>&</sup>lt;sup>63</sup> Scotland Office, 'Role of the Scotland Office',

http://www.scotlandoffice.gov.uk/scotlandoffice/22.html

<sup>64</sup> Scotland Office, 'Scotland Office to legislate to protect Glasgow 2014 image', http://www.scotlandoffice.gov.uk/scotlandoffice/11390.html, 26<sup>th</sup> January 2009.

Scotland Office, 'Jim Murphy names date for next economic summit in Glasgow', http://www.scotlandoffice.gov.uk/scotlandoffice/11387.html, 4<sup>th</sup> February 2009.

<sup>&</sup>lt;sup>66</sup> Scotland Office, 'Jim Murphy announces Scottish broadcasting summit', http://www.scotlandoffice.gov.uk/scotlandoffice/11394.html, 21<sup>st</sup> January 2009.

#### 3.3.4 - Cabinet in Scotland

In April, the UK Cabinet met in Scotland for the first time since David Lloyd George's 1921 meeting in Inverness. The meeting had been suggested and hosted by the Secretary of State Jim Murphy, who presented to the Cabinet on Scottish devolution and why he believes the banking failures of 2008 strengthens the case for the Union.<sup>67</sup>

#### 3.3.5 - Scottish Questions

Scotland Office ministers led Scottish Questions at Westminster on 4<sup>th</sup> February, 18<sup>th</sup> March, and 6<sup>th</sup> May. In the February 4<sup>th</sup> session, Speaker of the House Michael Martin intervened after repeated criticisms of the Scottish Government, saying,

'Order. May I remind the House that the criticism of the Scottish Government refers to a devolved Parliament? The Scottish Parliament is a creation of this House—we devolved the power—and prolonged criticism of the Scottish Parliament will give the impression that that is all we have to talk about.'68

As there is no strict convention against inter-parliamentary criticism in the Commons, the extent to which it is permitted to criticise its devolved 'creations' will largely reflect the viewpoint of the next Speaker.

#### 3.4 Wales Office

April 2009.

The Wales Office continued in its constitutional role from Gwydyr House as responsible for the smooth running of legislation at Westminster and of facilitating new Orders in Council (LCOs) though Parliament, with varying levels of expediency (see section 4.2.1). In addition, the Secretary of State for Wales, Paul Murphy, continued in his role as *de facto* head UK representative for devolution by heading

<sup>&</sup>lt;sup>67</sup> Scotsman, 'Cabinet in Scotland for first time in 88 years', http://thescotsman.scotsman.com/topstories/Cabinet-in-Scotland-for-first.5174760.jp, 16<sup>th</sup>

the UK delegation to the multilateral British-Irish Council and chairing the Joint Ministerial Committee (see section 6.4).

#### 3.4.1 - Ministry of Justice

As mentioned in section 3.1, the Wales Office had not been contacted by the Ministry of Justice regarding the latter's decision to close its Cardiff branch of the Legal Service Commission. The Welsh Affairs Select Committee was scornful in its condemnation of this (see section 3.1.1). The Wales Office was silent over the issue.

#### 3.4.2 - Welsh Questions

The Secretary of State for Wales Paul Murphy and Parliamentary Under-Secretary of State for Wales Wayne David faced 3 question sessions from MPs at Parliament; on the 28<sup>th</sup> January<sup>69</sup>, 11<sup>th</sup> March<sup>70</sup> and 29<sup>th</sup> April<sup>71</sup>. One notable issue raised from a devolution standpoint is the provision of cross-border health services, with calls for Welsh Health Minister Edwina Hart to abandon her much-criticised 'in-country policy'<sup>72</sup> (see section 5.3.2). Conservative MP David T.C. Davies criticised the All Wales Convention for 'going around demanding extra powers for the Welsh Assembly... which will cost more money and inevitably lead to the break-up of the United Kingdom'. Mr. Murphy responded that the AWC 'is, in effect, testing the water. If the convention believes that a referendum is necessary, the people of Wales will decide.'<sup>73</sup>

<sup>73</sup> Ibid. Col. 850

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<sup>&</sup>lt;sup>69</sup> Commons Hansard, 28 January 2009, Col. 279,

 $<sup>\</sup>frac{http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090128/debtext/90128-0001.htm}{}$ 

To Commons Hansard, 11 March 2009, Col. 277, http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090311/debtext/90311-2021.html

<sup>&</sup>lt;sup>71</sup> Commons Hansard, 29 April 2009, Col. 849, <a href="http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090429/debtext/90429-0001.htm">http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090429/debtext/90429-0001.htm</a>

<sup>72</sup> Commons Hansard, 29 April 2009, Col. 851

#### 3.4.3 - Economic Summits

Welsh Secretary Paul Murphy attended the Fourth All-Wales Economic Summit on 6<sup>th</sup> February<sup>74</sup> and the Fifth on 7<sup>th</sup> April 2009, along with first Minister Rhodri Morgan and Deputy First Minister Ieuan Wyn Jones. The latter sparked a joint communiqué which outlined the various measures taken by the Welsh Assembly Government to fight the recession.<sup>75</sup>

#### 3.4.4 - Murphy criticised over claims

Welsh Secretary Paul Murphy was caught up in the expenses row in May over £3,000 in expenses he claimed to fit a new boiler because he believed his water was 'too hot'. Murphy's spokesman responded that the boiler was deemed unsafe, and that 'At all times he assiduously checks his claims with the Fees Office of the House of Commons.' <sup>76</sup>

#### 3.5 Northern Ireland Office

#### 3.5.1 - Northern Ireland Act 2009: the devolution of policing and judicial powers

The Northern Ireland Act 2009<sup>77</sup> received Royal Assent on 12<sup>th</sup> March, less than a month after it was introduced to Parliament by the Secretary of State for Northern Ireland, Shaun Woodward. The Act has been long overdue, with the wholesale devolution of policing and justice powers representing the final piece of major legislation in Northern Ireland to implement the Belfast Agreement. The DUP and Sinn Féin reached agreement on the process in November of last year, setting a deadline for the consent of the Assembly to the arrangements by May 2012.

http://news.bbc.co.uk/1/hi/wales/8039539.stm, 8th May 2009.

Wales Office, 'Paul Murphy attends Fourth All-Wales Economic Summit', http://www.walesoffice.gov.uk/2009/02/06/paul-murphy-attends-fourth-all-wales-economic-summit/, 6<sup>th</sup> February 2009.

Wales Office, '5th All-Wales Economic Summit Communiqué, <a href="http://www.walesoffice.gov.uk/2009/04/07/5th-all-wales-economic-summit-communique/">http://www.walesoffice.gov.uk/2009/04/07/5th-all-wales-economic-summit-communique/</a>, 7<sup>th</sup> April 2009.

<sup>&</sup>lt;sup>76</sup> BBC News, 'Murphy claimed £3k for new boiler',

Office of Public Sector Information, 'Northern Ireland Act 2009', <a href="http://www.opsi.gov.uk/acts/acts2009/ukpga\_20090003\_en\_1">http://www.opsi.gov.uk/acts/acts2009/ukpga\_20090003\_en\_1</a>, 12<sup>th</sup> March 2009

The Act paves the way for the process to take effect through substantive measures and by amending section 86 of the Northern Ireland Act 1998. However, it is only the first step in a much longer legislative march through Parliament and the Assembly. Subordinate legislation must be agreed, and a new Minister for Justice must be chosen by cross-party consensus to sit on the Executive Committee. The Act also establishes a new autonomous Director of Public Prosecutions for Northern Ireland (DPPNI), reflecting the ultimate intention that the Public Prosecution Service for Northern Ireland be an independent, non-ministerial department. Finally, the amendment of section 86 of the 1998 Act allows for the transfer and creation or removal of functions between the UK and Northern Ireland authorities through Orders, and making this possible even where the competence of a given area is reserved.<sup>78</sup>

After many years of disagreements, the Act marks the beginning of the formal devolution of the politically sensitive powers over policing and criminal justice. With a breach of the May 2012 deadline resulting in dissolution of the newly created justice department, the onus of action now lies upon the fragmented Assembly to reach agreement and elect the new minister.

#### 3.5.2 - Dissident Republicans kill three

In March two soldiers and a policeman were shot dead by dissident republicans in County Antrim, 16 miles north of Belfast. The deaths sparked public outcry while stoking fears that the spectre of deadly conflict could re-emerge in the six counties. The soldiers were the first army deaths in Northern Ireland for twelve years.

On May 7<sup>th</sup> the Independent Monitoring Commission – the body set up by the British and Irish governments to monitor the peace process – released its 21<sup>st</sup> report.<sup>79</sup> It stated that the return to violence is an attempt to 'destroy the peace process and return the community to the period of violent struggle from which it has so painfully and relatively recently emerged.'<sup>80</sup> The Northern Ireland secretary Shaun Woodward vowed that perpetrators 'can be assured that they will never be able to stop political

<sup>&</sup>lt;sup>78</sup> Ibid., section 4

<sup>&</sup>lt;sup>79</sup> Independent Monitoring Commission, *Twenty-First Report of the Independent Monitoring Commission*,

http://www.independentmonitoringcommission.org/documents/uploads/Twenty-First%20Report.pdf, 7<sup>th</sup> May 2009

<sup>80</sup> Ibid. Section 2.6, p. 5

progress in Northern Ireland.<sup>81</sup> He also warned that he would suspend the decommissioning amnesty if there had not been 'substantial progress' in disarming the paramilitaries by the deadline August 2009, when the Independent International Commission on Decommissioning is expected to report.<sup>82</sup>

#### 3.5.3 - Head of Parades Commission to step down

On April 8<sup>th</sup> the Chairman of the Northern Ireland Parades Commission Roger Poole announced he would step down in the following months.<sup>83</sup> The Commission was set up in 1997 by the Northern Ireland Office to make decisions regarding restricting the most controversial parades. His replacement is to be announced imminently.

#### 3.5.4 - Victims' Commissioner appointment 'not lawful'

In April, the High Court upheld its previous ruling that the appointment of Bertha McDougal as an interim Victims' Commissioner for Northern Ireland by Peter Hain in 2005 was unlawful. It had said in 2006 that the appointment was unlawful because it was motivated by 'an improper political purpose, namely, so-called confidence building.'84

#### 3.5.5 - Northern Ireland Human Rights Commission 10th Birthday

On the 1<sup>st</sup> March the Northern Ireland Human Rights Commission celebrated its tenth birthday, with Criminal Justice Minister, Paul Goggins, praising the central role of the Commission in protecting human rights in the six counties.<sup>85</sup> The Commission was established on the 1<sup>st</sup> March 1999 from Commitments made in the 1998 Belfast Agreement.

Northern Ireland Office, 'Secretary of State condemns attack in Antrim', http://www.nio.gov.uk/secretary-of-state-condemns-attack-in-antrim/media-detail.htm?newsID=15903, 9<sup>th</sup> March 2009

<sup>&</sup>lt;sup>82</sup> Guardian, Dissident republicans will not derail Ulster devolution, vows Woodward, http://www.guardian.co.uk/uk/2009/may/07/northern-ireland-devolution-woodward, 7<sup>th</sup> May 2009

<sup>&</sup>lt;sup>83</sup> BBC News, 'Head of parades body to step down',

http://news.bbc.co.uk/1/hi/northern\_ireland/7989762.stm, 8<sup>th</sup> April 2009.

<sup>84</sup> BBC News, 'Victims appointment 'not lawful',

http://news.bbc.co.uk/1/hi/northern\_ireland/8022678.stm, 28th April 2009.

Northern Ireland Office, 'Minister celebrates 10th anniversary of Northern Ireland Human Rights Commission', <a href="http://www.nio.gov.uk/minister-celebrates-10th-anniversary-of-northern-ireland-human-rights-commission/media-detail.htm?newsID=15952">http://www.nio.gov.uk/minister-celebrates-10th-anniversary-of-northern-ireland-human-rights-commission/media-detail.htm?newsID=15952</a>, 20<sup>th</sup> April 2009.

#### 3.5.6 - New Policing Board Chairman

On May 7<sup>th</sup> the Northern Ireland Policing Board selected Barry Gilligan as its new Chairman, as Sir Desmond Rea, who had held the position since the Board's inception in 2001, stepped down. However, if the devolution of policing and judicial powers succeeds, both the position and the Board are likely to be abolished.<sup>86</sup>

#### 3.5.7 - Northern Ireland Questions

The Secretary of State for Northern Ireland, Shaun Woodward, and the Minister of State, Paul Goggins, answered questions in Parliament on the 21<sup>st</sup> January 2009.<sup>87</sup> They answered questions regarding the Saville Inquiry (now expected in the autumn), parading policy and paramilitary decommissioning.

<sup>&</sup>lt;sup>86</sup> Northern Ireland Office, 'Woodward welcomes appointment of new Policing Board Chairman', <a href="http://www.nio.gov.uk/woodward-welcomes-appointment-of-new-policing-board-chairman/media-detail.htm?newsID=16002">http://www.nio.gov.uk/woodward-welcomes-appointment-of-new-policing-board-chairman/media-detail.htm?newsID=16002</a>, 7<sup>th</sup> May 2009.

<sup>&</sup>lt;sup>87</sup> Commons Hansard, 21 January 2009, Col. 735, <a href="http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090121/debtext/90121-0001.htm">http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090121/debtext/90121-0001.htm</a>

#### 3.6 Department for Communities and Local Government

#### Council Overhaul in England

On 1<sup>st</sup> April 2009, the Local Government Minister John Healey declared the 'biggest shake-up in local democracy in one single day since the seventies.'<sup>88</sup> On that day 44 councils representing 3.2 million people were replaced with just nine, replacing district councils with unitary authorities. All local services in Cheshire (East and West), Bedfordshire (East and West), Cornwall, Northumberland, Durham, Shropshire and Wiltshire will be run by these unitary councils.<sup>89</sup> The department said the changes would result in savings of £100 million per year after transitional costs, while 300 senior management posts will be slashed and the number of councillors will be reduced by 2037 to 725. The changes bring these regions into line with Scotland and Wales, who have councils run on a unitary basis. The two-tier system of county and district councils is still active in one third of England.

<sup>&</sup>lt;sup>88</sup> Department for Communities and Local Government, 'Over three million people to benefit from historic council overhaul', <a href="http://www.communities.gov.uk/news/corporate/1191359">http://www.communities.gov.uk/news/corporate/1191359</a>, 1<sup>st</sup> April 2009

Details of councils replaced found here: BBC News, 'Make up of new unitary councils', http://news.bbc.co.uk/1/hi/england/7976062.stm, 1<sup>st</sup> April 2009

#### 4. TERRITORIAL LEGISLATION AND MOTIONS

#### 4.1 Scotland

On December 3<sup>rd</sup> 2008 the Queen laid out the government's planned legislative program for the 2008-09 session, in what the Scotland Office called the 'the most "Scottish" Queen's Speech since devolution.'<sup>90</sup> Eight of the eleven new Bills introduced by the UK government stray into devolved areas in Scotland or amend the powers of the devolved institutions. Under the 'Sewel' convention, these Bills therefore require the legislative consent of the Scottish Parliament through Legislative Consent Motions (LCMs).<sup>91</sup>

The SNP Government has continued to soften its line on such motions, where it had previously articulated opposition to LCMs as a matter of principle. <sup>92</sup> But since forming a minority government in 2007, the SNP has steadily eased this ideological objection, delegating more and more authority back to Westminster. In fact, the amount of Bills consented to by the Scottish Government has brought accusations of laxity and being 'work shy'<sup>93</sup>. In May, a study by the Scotland Office showed that in the first year of the SNP Scottish Government more bills relating to devolved matters were consented to and passed in Westminster than in Holyrood. <sup>94</sup>

Protest has occasionally been voiced at this kind of 'counter-devolution'. The Scottish Green Party spoke against the LCM on the **Borders, Citizenship and Immigration [HL] Bill** on these grounds. Green MSP Patrick Harvie stated,

'I have not just mild concerns about, but fundamental objections to the LCM, the first of which is to the police-like powers that may be exercised by immigration officers. There are reasons why, in establishing a Scottish Parliament, we took the view that the police should be under the devolved competence of this

<sup>90</sup> Scotland Office, '2008-09 Legislative Program',

http://www.scotlandoffice.gov.uk/scotlandoffice/34.31.html, retrieved 9<sup>th</sup> May 2009.

<sup>&</sup>lt;sup>91</sup> Full details can be found at:

http://www.scottish.parliament.uk/business/legConMem/index.htm.

<sup>&</sup>lt;sup>92</sup> Jim Mather, Scottish Parliament Official Report, 1 February 2007, Col 31781.

Michael McMahon quoted in The Times, 'London passes more Scots Bills than Holyrood', <a href="http://www.timesonline.co.uk/tol/news/uk/scotland/article6268432.ece">http://www.timesonline.co.uk/tol/news/uk/scotland/article6268432.ece</a>, 11<sup>th</sup> May 2009.
 Ihid.

Parliament and the Scottish Executive, as it was then...Will the cabinet secretary explain why he, as a Scottish National Party cabinet secretary, thinks that those functions should be under the control of a UK agency and not a Scottish one?<sup>195</sup>

In the event, the motion passed with a vote of 118-2 (2 Green Party MSPs voting against). Consent was given to five other Bills, with the remaining two LCMs lodged in May.

#### 4.1.1 - Legislative consent motions (LCMs)

- Local Democracy, Economic Development and Construction [HL] Bill –
   Consent agreed in principle 5<sup>th</sup> March 2009.
- **Policing and Crime Bill** Consent agreed in principle 4<sup>th</sup> March 2009.
- Welfare Reform Bill Consent agreed in principle 18<sup>th</sup> March 2009.
- Marine and Coastal Access [HL] Bill [Creates UK-wide framework surround for marine and coastal planning. Also expands power of Scottish Executive to designate conservation areas.] Consent agreed in principle 18<sup>th</sup> March 2009
- Apprenticeships, Skills, Children and Learning Bill [Relating to the management of Career Development Loans and the Managing Information Across Partners programme. Expands powers of Scottish Ministers to instruct the new Skills Funding Agency.] Consent agreed in principle 1<sup>st</sup> April 2009.
- **Equality Bill** introduced in House of Commons on 24<sup>th</sup> April. Legislative consent memorandum lodged 7<sup>th</sup> May 2009.
- Coroners and Justice Bill Though judicial matters are devolved, the Scottish Government 'considers it to be extremely important that a common approach is taken across the UK.'96 Legislative consent memorandum lodged 13<sup>th</sup> May 2009.

The Secretary of State for Scotland is also taking three Orders-in-Council through Parliament, making a total of 170 Orders in the first ten years of devolution.

http://www.theyworkforyou.com/sp/?id=2009-03-19.16064.0, 19<sup>th</sup> March 2009.

27

<sup>95</sup> Scottish Parliament debates, 'Borders, Citizenship and Immigration Bill',

<sup>&</sup>lt;sup>96</sup> Scottish Parliament, 'Memorandum from the Scottish Government', http://www.scottish.parliament.uk/business/legConMem/LCM-2008-2009/CoronersJusticeBill\_LCM.pdf, 21<sup>st</sup> January 2009.

#### 4.2 Wales

#### 4.2.1 - Legislative competence orders

Though Legislative Competence Orders (LCOs) continue to incrementally shift power towards the Welsh Assembly, problems with the process persist. For example, the **environmental protection and waste management** LCO, introduced in June 2007, had only just been referred to Parliament for pre-legislative scrutiny at the end of April 2009. Six other LCOs were still in progress at the end of the monitoring period, of which four were proposed by the WAG:<sup>97</sup>

- Firstly, the **affordable housing** LCO was finally approved by the Welsh Assembly in principle in January 2009. This came after a dramatic climbdown by the Welsh Assembly Government in its dispute with Westminster over the divisive issue of 'right-to-buy'. 98 The WAG wanted powers to suspend the right of council tenants to buy their own homes in areas of acute housing shortage. Under the compromise, the WAG will acquire these powers, but the Welsh Secretary will have a veto over the matter; an unprecedented move. Nevertheless, the Order was flagged by the Joint Committee on Statutory Instruments in March for doubtful *vires* on the issue of right to buy, and will have to be reconsidered.
- However, the red meat industry LCO has had a much smoother journey through Parliament and the Assembly. The Order was introduced in September 2008, a draft approved by the Assembly in principle on March 2009, and is expected to be laid before Parliament by the Welsh Secretary shortly.
- Meanwhile, after consultation at Cardiff Bay, the carers LCO has been scrutinised by the WAC at Parliament, which recommended the Order go forward. The WAC report is awaiting the Government's response and will likely be laid before Parliament before the summer.
- The final Government-proposed LCO in progress concerns the devolution of Welsh language powers, which awaits scrutiny by the Assembly Committee, House of Commons Welsh Affairs Committee, and the Lords Constitution

<sup>&</sup>lt;sup>97</sup> For a full and updated list go to: <a href="http://www.assemblywales.org/bus-home/bus-legislation/bus-legislation-progress-lcos-measures.htm">http://www.assemblywales.org/bus-home/bus-legislation/bus-legislation-progress-lcos-measures.htm</a>.

<sup>98</sup> BBC News, 'Climbdown in housing powers row', http://news.bbc.co.uk/1/hi/wales/wales politics/7820713.stm, 9<sup>th</sup> January 2009.

#### Committee.

Meanwhile, the two Assembly Member-proposed LCOs, on the **provision of mental** health services and domestic fire safety, have yet to gain Whitehall clearance despite the Assembly Committee clearing both in May 2008. This underlies one of the concerns of the LCO system: the de facto veto of the UK Government through unlimited delays. The Justice Committee discussed this in their report on devolution at the end of the period (see section 5.1), recommending that time limits for the presentation of LCOs be imposed upon the Welsh Secretary.

Lastly, the first Committee-proposed LCO on **traffic-free routes** is expected to be introduced during the summer session of 2009. No new LCOs were proposed in the period covered.

#### 4.2.2 - Framework powers

The second route for expanding the legislative competence of the Welsh Assembly is through embedding 'framework powers' within Bills to be laid before Parliament. As noted in the January version of this report, <sup>99</sup> two Government Bills announced in the Government's Draft Legislative Program create new framework powers for the Welsh Assembly. Both of these were introduced to Parliament through the House of Lords:

- The Local Democracy, Economic Development and Construction Bill
  made the transition to the House of Commons, with the second reading and
  preliminary debate due on June 1<sup>st</sup>.
- Meanwhile, the Marine and Coastal Access Bill progressed through preliminary readings, one long committee stage and three reports, with a fourth expected for the 1<sup>st</sup> of June and a third reading on the 8<sup>th</sup> of June. The provisions extend powers to Welsh Ministers of making legislation to protect marine conservation zones in Wales, though they must consult the Secretary of State for Wales.

#### 4.2.3 - Concordats

Onstitution Unit, 'Devolution and the Centre: January 2009', <a href="http://www.ucl.ac.uk/constitution-unit/files/research/devolution/dmr/Centre\_Jan09.pdf">http://www.ucl.ac.uk/constitution-unit/files/research/devolution/dmr/Centre\_Jan09.pdf</a>, p. 18

The Welsh Assembly Government published the Concordat it had signed with the Food Standards Agency in September last year. They mutually affirmed their commitment, 'in the interest of good government, to develop effective working relationships delivering the best possible service.' The FSA will work with its Welsh Food Advisory Committee in advising the Assembly Government. The Welsh Assembly Government is updating Concordats with the relevant Whitehall Departments in light of the Government of Wales Act 2006.

#### 4.3 Northern Ireland

#### 4.3.1 - Bills consented to

On December 3<sup>rd</sup> 2008, the Minister of State for Northern Ireland, Paul Goggins, informed Parliament that ten of the thirteen Bills announced in the Queen's Speech were likely to affect Northern Ireland.<sup>101</sup> Four of these strayed into devolved matters, and therefore required the consent of the Northern Ireland Assembly through legislative consent motions (LCMs). The Bills were at various stages of the legislative process by the start of Westminster's Whitsun break.

- The Marine and Coastal Access Bill [HL] was into its report stage in the House of Lords. The Assembly endorsed the principle 'of the extension to Northern Ireland of the provisions of the Marine and Coastal Access Bill dealing with Marine Planning, Marine Licensing, the repeal of spent or obsolete fisheries enactments, and Enforcement.' The motion passed on the 2<sup>nd</sup> March 2009.
- The **Health Bill [HL]** was agreed in principle by the Northern Ireland Assembly on 26<sup>th</sup> February 2009.<sup>103</sup> If passed, the Bill would allow the Minister of Health, Social Services and Public Safety to decide when and how provisions initially applied to England and Wales should be implemented in

Welsh Assembly Government, 'Concordat between the Food Standards Agency and the Welsh Assembly Government', <a href="http://wales.gov.uk/docs/caecd/report/090223fsaen.pdf">http://wales.gov.uk/docs/caecd/report/090223fsaen.pdf</a>, p. 1, para. 2

House of Commons Hansard, 'House of Commons Ministerial Statements', <a href="http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm081204/wmstext/81204">http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm081204/wmstext/81204</a> m0003.htm#08120433000366, December 4<sup>th</sup> 2008, Col. 13WS

<sup>&</sup>lt;sup>102</sup> Northern Ireland Assembly, 'Minute of Proceedings: 2 March 2009'

http://www.niassembly.gov.uk/minutes/2007mandate/minutes/2008/090302.htm

Northern Ireland Assembly, 'Order Paper', <a href="http://www.niassembly.gov.uk/orders/papers/2007/2008/order41\_0809.htm">http://www.niassembly.gov.uk/orders/papers/2007/2008/order41\_0809.htm</a>, 3<sup>rd</sup> March 2009

Northern Ireland. By the start of the Whitsun break the Bill had heard its first reading in the House of Commons, with initial debate due on the 8<sup>th</sup> June.

- The Apprenticeships, Skills, Children and Learning Bill had gone through the Commons and debate in the Lords was due to start on the 2<sup>nd</sup> June.
   Consent was agreed in principle by the NI Assembly on 30<sup>th</sup> March.<sup>104</sup>
- The Saving Gateway Bill Account Bill had passed through the Commons and was in committee stage in the Lords at the end of the period. Consent was agreed in principle by the NI Assembly on the 23<sup>rd</sup> March.
- Lastly, the Northern Ireland Act 2009 was expedited through Parliament by the Welsh secretary, finally allowing the process of devolving the sensitive and crucial powers over judicial and policing to begin in earnest (see section 3.4).

#### 4.3.2 - Research on LCMs

The Northern Ireland Assembly's Committee on Procedures has been researching into the process of LCMs. The Assembly's Research and Library Services published a preliminary report into its findings on January 26<sup>th</sup>. <sup>105</sup> It raised several concerns over Scotland's use of LCMs and its precursor in the 'Sewel' convention. The first was on timing, where consent is usually given in principle to Bills which are later radically altered. It was suggested consent be pushed back to allow more time for debate in the Assembly (with a report submitted in print beforehand, rather than orally as is presently the case) and that consent be given to a Bill closer to its becoming an Act.

The second point of significance was on the frequency of LCM use in Scotland. It was pointed out that although they are not a legal necessity, they have become perfunctory and thus casually consented to. The Committee on Procedures planned to visit the Scotlish Parliament on the 29<sup>th</sup> of April to further their inquiry into Scotland's use of LCMs, though no report of their findings was available. <sup>106</sup>

Northern Ireland Assembly, 'Order Paper', <a href="http://www.niassembly.gov.uk/orders/papers/2007/2008/order47\_0809.htm">http://www.niassembly.gov.uk/orders/papers/2007/2008/order47\_0809.htm</a>, 30<sup>th</sup> March 2009

Northern Ireland Assembly, 'Legislative Consent in the Northern Ireland Assembly and Other Legislatures', <a href="http://www.niassembly.gov.uk/io/research/2009/2309.pdf">http://www.niassembly.gov.uk/io/research/2009/2309.pdf</a>, 26th February 2009.

Northern Ireland Assembly, 'Committee on Procedures: Minutes of Proceedings', <a href="http://www.niassembly.gov.uk/procedures/2007mandate/minutes/2008/090331.htm">http://www.niassembly.gov.uk/procedures/2007mandate/minutes/2008/090331.htm</a>, 31<sup>st</sup> March 2009.

#### 4.4 Early Day Motions

A number of EDMs were signed in the period January to May 2009 relating to devolution:

- Willie Rennie (Liberal Democrats) tabled EDM 467 condemning the SNP Scottish Government's proposal to lease 25% of 'the most commercially viable publicly-owned Scottish forests to private investment companies for up to 75 years', calling for its immediate withdrawal from the Scottish Climate Change Bill. It was signed by 31 MPs. In response, Angus MacNeil (SNP) tabled EDM 604, stating 'absolutely none of Scotland's publicly-owned forest estate would be sold as a result of these proposals.' It was signed by 11 MPs.
- Alistair Carmichael (Liberal Democrats) tabled EDM 473 congratulating Clydesdale Bank on the launch of a new set of Scottish banknotes, and welcoming the continuation of Scottish banknotes as 'testament to the resilience of Scotland and its financial sector.' It was signed by 27 MPs.
- John Mason (SNP) tabled EDM 751 welcoming the Scottish Government's record funding for the NHS in Scotland. It was signed by 6 SNP MPs. David Taylor (Labour) then tabled amendment EDM 751A1 inserting 'made possible by the generosity of resources allocated by the Barnett formula.' His was the solitary signature.
- Julia Goldsworthy (Liberal Democrats) tabled EDM 890 condemning the Government's refusal of the EU's offer to extend the deadline for spending unspent European Regional Development Fund (ERDF) money 'earmarked to be spent in England's regions,' which, 'has in effect been re-allocated to the Treasury.' It was signed by 49 MPs.
- Diane Abbott (Labour) tabled EDM 625 calling for the Government to provide funding for women in Northern Ireland to access NHS abortion services in Britain.
   It was signed by 63 MPs. In response, Sammy Wilson (DUP) tabled EDM 993 calling on the Government not to extend the 1967 Abortion Act to Northern Ireland unless consented to by the Northern Ireland Assembly. It was signed by 4

MPs.

- Peter Hain (Labour) tabled EDM 1120 welcoming the formation of the British-Irish
  Parliamentary Assembly as successor to the British-Irish Inter-Parliamentary
  Body, commending the latter's record on augmenting relations between Ireland
  and the devolved administrations, while speculating that the former could provide
  backbench scrutiny of the British-Irish Council. It was signed by 43 MPs.
- Jenny Willott (Liberal Democrats) tabled EDM 1416 calling for the central government grant funding system to be reformed so that Welsh police forces could be better funded. It was signed by 8 MPs.
- Russell Brown (Labour) tabled EDM 1261 noting that cancer patients in England are now exempt from prescription charges, whereas they are not in Scotland where healthcare is a devolved matter. It was signed by 34 MPs.
- Daniel Rogerson (Liberal Democrats) tabled EDM 1238 congratulating Cornwall's now-dissolved seven local councils for their hard work, and urging collaboration to make the new central authority successful 'as the first step to real devolution from Westminster towards a Cornish Assembly.' It was signed by 17 MPs.

# 5. TERRITORIAL COMMITTEES AT WESTMINSTER

### 5.1 House of Commons Justice Committee: 'Devolution: a Decade On'

On May 24<sup>th</sup> 2009, three days after the Parliament began its Whitsun Recess, the Justice Committee published its long-awaited report, '**Devolution: a Decade On**'. 107 Its most pertinent conclusions and recommendations are summarised below.

### 5.1.1 - Devolution and the Centre

- Many of the UK's central political institutions have been involved in the devolution process, with the Ministry of Justice taking lead responsibility as the *de jure* guardian of the constitution. However, the report said, 'what is lacking is any one department which is clearly charged with taking a holistic view of the infrastructure of government across the United Kingdom and the constitutional and policy issues involved.' This prospective "Ministry of Devolution" is something we have been suggesting for some years now, and would likely improve the centre's approach to devolution in light of the recent criticism of the Justice Ministry (see section 3.1.1).
- The posts of the three territorial Secretaries of State, two of which are now 'part-time', appear somewhat anachronistic post-devolution. In time they should be replaced by a single Constitutional Minister in the Cabinet, perhaps heading some form of a Ministry of Devolution. Both the institution and the role would serve to 'maintain the coherence of the system as a whole'. However, the merits of the additional legislating responsibilities bestowed upon the Welsh Secretary through the GOWA 2006 needed to be considered before any such change went forward. The Devolution Minister could also take the responsibility for chairing the various inter-governmental bodies, such as the Joint Ministerial Committee, as the Welsh Secretary is currently doing.

<sup>&</sup>lt;sup>107</sup> House of Common Justice Committee, 'Devolution: A Decade On',

http://www.publications.parliament.uk/pa/cm200809/cmselect/cmjust/529/529i.pdf; plus 'Oral and Written Evidence',

http://www.publications.parliament.uk/pa/cm200809/cmselect/cmjust/529/529ii.pdf, 24<sup>th</sup> May 2009.

<sup>&</sup>lt;sup>108</sup> Ibid. p. 81

<sup>&</sup>lt;sup>109</sup> Ibid. p. 25

<sup>&</sup>lt;sup>110</sup> Ibid. p. 24

## 5.1.2 - The Civil Service

- Though awareness of devolution has improved, it is still not sufficient in Whitehall. The Civil Service should work more collaboratively with the devolved administrations to improve the cohesiveness of the UK's policy, especially in non-devolved, reserved and excepted areas.<sup>111</sup>
- Best practice should be mainstreamed across Whitehall, while devolution awareness should be a core component in the training of civil servants.<sup>112</sup> A more systematic approach to secondments is vital, as well as a unified code for the civil service, irrespective of whether it is 'unitary' post-devolution.<sup>113</sup>

## 5.1.3 - Inter-governmental Relation

 There is a necessity for formal arrangements to facilitate the co-ordination of action in areas of joint interest, good relations, and the promotion of common interests. 'The absence of such a structure is one of the weaknesses of the current devolution settlement.' (see section 6.1)

## 5.1.4 - Joint Ministerial Committee

The report welcomed the re-convening of the JMC, commending its usefulness in securing agreement on the UK Marine and Coastal Access Bill.<sup>115</sup> It did, however, recommend a broad review of the machinery for coordinating inter-governmental relations in the UK, and a more streamlined and strategic Centre post-devolution.<sup>116</sup>

## 5.1.5 - Inter-Parliamentary Relations

 Suggestion was made for a British-Irish Parliamentary Assembly-style arrangement for the devolved Parliaments and Assemblies to meet with UK Parliament and exchange ideas and hold to account the JMC.<sup>117</sup>

<sup>&</sup>lt;sup>111</sup> Ibid. p. 27-8

<sup>&</sup>lt;sup>112</sup> Ibid. p. 27

<sup>&</sup>lt;sup>113</sup> Ibid. p. 31

<sup>&</sup>lt;sup>114</sup> Ibid. p. 36

<sup>&</sup>lt;sup>115</sup> Ibid. p. 36

<sup>116</sup> lbid. p. 39

<sup>&</sup>lt;sup>117</sup> Ibid. p. 40

## 5.1.6 - The Legislative Process

- Scotland The report commended the Scottish Parliament for the effective scrutiny of Legislative Consent Motions (whose use is currently being investigated by the Northern Ireland Assembly for their own use see section 4.3), but it recommended the UK and Scottish Governments publicise the agreed understanding governing the use of LCMs, thereby strengthening the convention.<sup>118</sup>
- Wales The perceived complexity of the Legislative Consent Order (LCO) process was recognised, and it was recommended that the Government encourage and facilitate the WAG to make the law more accessible.<sup>119</sup> Westminster's role in scrutinizing LCOs was supported, but concerns were raised over the effective veto power of the Secretary of State for Wales in delaying the introduction of such Orders (see section 4.2.1). It recommended rules on maximum time-scales be formalised.<sup>120</sup>

## 5.1.7 - English Question

England, with 84% of the UK's population, has been left behind by devolution. The status quo of England's governance is, 'at least called into question,' with 'further fundamental change' needed.<sup>121</sup> Various suggestions have been made:

- English Parliament This would be the closest answer to the West Lothian question. However, it would require a substantially expanded bureaucracy, and would not address the subsidiarity criticism of the status quo: overlycentralised governance. 122
- 'English votes for English laws' This approach, advocated by the Conservatives, attempts to answer the question within the confines of the present-day Westminster Parliament. It is, however, very problematic as it necessitates demarcating 'English' legislation in Bills, which can be difficult, if not impossible.<sup>123</sup> The reform could also create a 'Parliament within a

<sup>119</sup> Ibid. p. 48-9

<sup>122</sup> Ibid. p. 53-4

<sup>&</sup>lt;sup>118</sup> Ibid. p. 43

<sup>&</sup>lt;sup>120</sup> Ibid. p. 47 [146-148]

<sup>121</sup> lbid. p.52-3

lbid. p. 60. For more in-depth discussion see our previous report: Hazell, Robert, 'The English Question', <a href="http://www.ucl.ac.uk/constitution-unit/files/publications/unit-publications/130.pdf">http://www.ucl.ac.uk/constitution-unit/files/publications/unit-publications/130.pdf</a>, January 2006.

Parliament', which might pose 'as great a threat to the Union as the resentment it seeks to address'. 124

- Reducing MPs from the devolved nations This seeks to address the political problem of the 'West Lothian Question' (MPs from the devolved territories voting on matters affecting England). It does not, however, address the principle itself, and is controversial between the parties as they have differing levels of dominance within these areas.<sup>125</sup>
- Internal devolution to England Devolution to local government was not covered extensively in the report, but it was recognised that this is an option for answering the English Question. However, it did not believe that the dramatic devolution of powers to local government required would be sufficient, nor likely.<sup>126</sup>

### 5.1.8 - Territorial Financial Settlement

The final issue the report considered is the Barnett Formula as the Centre's method of financing devolution. This is also being considered by the Calman and Holtham Commissions in Scotland and Wales respectively (see sections 3.2.2 and 3.2.3), along with the Barnett Formula Select Committee in Westminster (see section 5.8). It found that the Barnett Formula:

- is 'overdue for reform and lacks any basis in equity or logic.'
- concerns England because of the asymmetries in public expenditure in England vis-à-vis the devolved nations (this is the financial half of the 'English Question').
- lacks transparency and has already created political disputes between the Centre and the devolved administrations (e.g. no London Olympics 2012 spending consequentials for Wales, but these are being considered for Scotland – see section 5.3).

It therefore recommended that the Government:

 publish 'as a matter of urgency' the long-promised 'factual paper' on the details of the Formula.<sup>128</sup>

<sup>&</sup>lt;sup>124</sup> House of Common Justice Committee, 'Devolution: A Decade On', p. 62

<sup>&</sup>lt;sup>125</sup> Ibid. p. 62

<sup>&</sup>lt;sup>126</sup> Ibid. p.68-9

<sup>&</sup>lt;sup>127</sup> Ibid. p. 78

<sup>&</sup>lt;sup>128</sup> Ibid. p. 79

undertake a UK-wide review of Barnett and put forward an alternative (the House of Lords have taken this upon themselves after much lobbying by Lord Barnett – see section 5.8). This alternative should be 'introduced with care' (with a transitional period of at least two years), be adjusted annually, reviewed every five years, and be 'robust and long-term'. 129

### 5.1.9 - Overall

- England as the UK's solitary 'undevolved' nation is 'stuck in a pre-devolution time-warp', with 'fundamental change' needed. However, the report fell short of advocating one way over another; merely recognising the lack of any consensus.
- Whitehall's awareness of devolution needs to be stepped up, and the Civil Service should adopt a unified Code of Practice.
- A single department charged with managing devolution would improve the cohesion of the UK's institutions and offer a more holistic approach to strategy.
- Reform of the UK's territorial financial settlement is long overdue, as is the publication of rules formalising the Barnett Formula.

### 5.2 Scottish Affairs Committee

The Scottish Affairs Select Committee published two reports in the period. The first was the committee's report on credit unions in Scotland, an institution the committee supports.<sup>131</sup> The second regarded the committee's workings for the 2007-08 session. 132

The committee also took evidence for its 'Banking in Scotland' report, due to be published later in the year.

<sup>&</sup>lt;sup>129</sup> Ibid. p. 79

<sup>&</sup>lt;sup>130</sup> Justice Committee Chairman Rt Hon Sir Alan Beith, Justice Committee Press Release, 'Committee Report on Devolution: A Decade On', http://www.parliament.uk/parliamentary\_committees/justice/jsc220509pn33.cfm, 22<sup>nd</sup> May 2009.

<sup>&</sup>lt;sup>131</sup> Scottish Affairs Committee, 'Credit Unions in Scotland', http://www.publications.parliament.uk/pa/cm200809/cmselect/cmscotaf/218/218.pdf, 6th

<sup>132</sup> Scottish Affairs Committee, 'Work of the Committee in 2007-08', http://www.publications.parliament.uk/pa/cm200809/cmselect/cmscotaf/55/55.pdf, 27<sup>th</sup> April 2009.

### 5.3 Welsh Affairs Select Committee

The Welsh Affairs Committee was the most prolific of the territorial select committees during the first five months of 2009. The Committee criticised the Ministry of Justice's handling of its decision to close the Cardiff office of the Legal Services Commission (see section 3.1.1). In addition, it reported on the cross-border provision of services in health and in education, the Welsh economy under globalisation, and the potential benefits of the 2012 Olympics to Wales (or lack thereof).

# 5.3.1 - Cross-border provision of public services: Further and Higher Education

On 16<sup>th</sup> January the Committee published its findings on the cross-border provision of further and higher education in Wales.<sup>133</sup> Its findings were as follows:

- The Welsh Assembly Government is investing less in higher education than its counterpart the Department for Universities and Skills is in England, which has raised competition and lowered the capacity of Welsh universities for research. The Wales Office, which the committee oversees, has 'failed to make the UK Government factor Wales into its planning.' However, this is partly the fault of the Welsh Assembly Government for failing to recognise the importance of the Wales Office for this purpose.
- The approach of research councils is 'blind to the social and regeneration consequences of their decisions.' The funding bodies need an 'increased awareness of the UK dimensions of their decisions,'135 it said.

Overall, the Welsh Affairs Committee found, 'the decision-making process on each side of the border needs to be more coordinated,' while governments on each side of the border must consider 'the consequences of their decisions on the population of the UK as a whole, particularly those living in close proximity to the border itself.' 136

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<sup>&</sup>lt;sup>133</sup> Welsh Affairs Committee, 'Cross-border provision of public services for Wales: Further and higher education',

http://www.publications.parliament.uk/pa/cm200809/cmselect/cmwelaf/57/57.pdf, 16<sup>th</sup> January 2009.

<sup>&</sup>lt;sup>134</sup> Ibid. p. 45

<sup>&</sup>lt;sup>135</sup> Ibid. p. 45

<sup>&</sup>lt;sup>136</sup> Ibid.

## 5.3.2 - Cross-border provision of public services: Health

On 27 March the Welsh Affairs Committee unveiled its findings of the cross-border provision in health - a problem largely unique to Wales with its large and porous border with England. 137 Its general findings were:

- On the controversial 'close to home' value of health services provision -There is 'no practical or realistic prospect of diverting these well established cross-border flows, nor would it be desirable to do so. 138 Therefore, closer links between English and Welsh healthcare providers and, 'divergent policies must be implemented in a way which accommodates the continuing flow of patients across the Wales-England border. 139
- 'It is clear that there is a lack of co-ordination between the UK and Welsh Assembly Governments for cross-border health services between England and Wales. 140 This presented significant dangers to patients and providers, with disputes likely. The Committee therefore recommends a new standardised government-level protocol, to 'clarify arrangements and accountability mechanisms<sup>141</sup> as a matter of urgency.
- Patients need to be better informed of the divergences in health services, particularly in border areas.

Overall, the report stated that the Department of Health needs to work closer with the Welsh Assembly Government, while the decision-making process needs to be 'more coordinated, more coherent and more transparent.'142

#### 5.3.3 - Wales and Globalisation

On 18<sup>th</sup> May the Committee reported on the impact of globalisation on Wales. 143 The report summarises the Committee's views on several aspects of the economy of Wales with respect to devolution legislation:

<sup>&</sup>lt;sup>137</sup> Welsh Affairs Committee, 'The Provision of cross-border health services for Wales', http://www.publications.parliament.uk/pa/cm200809/cmselect/cmwelaf/56/56.pdf, 27<sup>th</sup> March 2009.

<sup>&</sup>lt;sup>138</sup> Ibid. pp. 45-6

<sup>&</sup>lt;sup>139</sup> Ibid. p. 46

<sup>&</sup>lt;sup>140</sup> Ibid.

<sup>141</sup> Ibid.

<sup>&</sup>lt;sup>143</sup> Welsh Affairs Committee, 'Globalisation and its Impact On Wales', http://www.publications.parliament.uk/pa/cm200809/cmselect/cmwelaf/184/184i.pdf,

- Broadcasting The WAC agreed with the now-disbanded Wales
  Broadcasting Committee that 'the UK Parliament is clearly the most
  appropriate place for debates on the wider economic regulation of the
  broadcasting industry'<sup>144</sup>. However, they also said they would welcome any
  closer scrutiny of broadcasting legislation through the Welsh Assembly.
- Creative industries The report noted the complex nature of competence in creative industries legislation, which is a part-devolved matter. It was, however, critical of Whitehall's lack of understanding in this matter. It said of the Government's boldly-titled Green Paper Creative Britain: New Talents for the New Economy introduced by the Department for Culture Media and Sport, 'Although the paper claims to outline future policy for the creative industries across the UK, little mention is made of Wales.' It recommended more clarity 'on the allocation of roles and responsibilities' in part-devolved matters, and called on all of Whitehall to work more closely with the Welsh Assembly Government.
- Intellectual property As intellectual property is not a devolved matter, it
  urged the UK Government to 'work closely with the Welsh Assembly
  Government to ensure that the UK-wide regulation of intellectual property is fit
  for the demands of the modern, global economy'.<sup>147</sup>

## 5.3.4 - Wales and the 2012 Olympics

The WAC released its findings of the *Potential Benefits of the 2012 Olympics and Paralympics for Wales* on the 22<sup>nd</sup> May 2009.<sup>148</sup> It highlighted:

- Lottery money diversion Wales will be disadvantaged through a diversion of lottery money.
- Lack of tourists Wales' tourism industry will benefit far more from the 2010
   Ryder Cup than London 2012 Olympics.
- Barnett Last year the Government declared that the Olympics would be a 'UK Olympics' and therefore Wales will not receive any Barnett consequentials.

<sup>145</sup> Ibid. p. 66

<sup>&</sup>lt;sup>144</sup> Ibid. p. 65

<sup>146</sup> lbid. p. 67

<sup>&</sup>lt;sup>147</sup> Ibid. p. 84

Welsh Affairs Committe, 'Potential Benefits of the 2012 Olympics and Paralympics for Wales'.

http://www.publications.parliament.uk/pa/cm200809/cmselect/cmwelaf/162/162.pdf, 22<sup>nd</sup> May 2009.

Overall, the report concluded, 'it is still uncertain to what extent Wales will benefit from a London Games.' 149

#### 5.4 Northern Ireland Affairs Select Committee

The Northern Ireland Affairs Select Committee released one report, summarising its work over the 2007-08 session. The Committee took evidence in its ongoing investigation into cross-border co-operation, and political developments in Northern Ireland. Lastly, the Committee announced four new 'short' inquiries:

- Report of the Consultative Group on the Past in Northern Ireland This inquiry will focus on the recommendations of the Consultative Group on the Past, which was established to 'find a way forward from the shadows of the past', and presented to the Secretary of State for Northern Ireland on the 23<sup>rd</sup> January 2009.<sup>151</sup>
- Omagh 10 Years On investigates the continuing impact of the Omagh bombing, with a focus on the sharing of intelligence relating to the bombing and lessons to be learnt a decade on from this tragic event.
- Human Rights Bill for Northern Ireland The Northern Ireland Executive is expected to issue a consultation later in 2009 on such a Bill, and this inquiry will feed into that consultation. This is distinct from the ongoing issue in Westminster of replacing the Human Rights Act with a 'British' Bill of Rights (see section 3.1.3).
- Television Broadcasting in Northern Ireland This short inquiry will
  investigate into the future of television broadcasting in Northern Ireland,
  mimicking the Welsh Affairs Committee's own investigation into the future of
  Welsh broadcasting post-devolution (see section 5.3.3).

# **5.5 Regional Select Committees**

The Regional Select Committees for England have experienced a turbulent first five months. Having been assented to in principle on 12<sup>th</sup> November 2008 by Parliament,

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<sup>&</sup>lt;sup>149</sup> Ibid. p. 43

Northern Ireland Affairs Committee, 'Work of the Committee in Session 2007-08', <a href="http://www.parliament.the-stationery-">http://www.parliament.the-stationery-</a>

office.co.uk/pa/cm200809/cmselect/cmniaf/74/74.pdf, 5<sup>th</sup> January 2009.

<sup>&</sup>lt;sup>151</sup> 'Report of the Consultative Group on the Past', http://www.cgpni.org/fs/doc/Consultative%20Group%20on%20the%20Past%20Full%20R eport.pdf, 23<sup>rd</sup> January 2009.

they came into effect on 1<sup>st</sup> January. Their formation has remained as contentious as ever.

Their members were appointed on the 3<sup>rd</sup> March, without any nominees from the opposition parties. They are all currently carrying out inquiries into the economic situation in their respective regions. However, without cross-party consensus or involvement, the huge fall in Labour's popularity, and a general election within a year some observers have wondered, 'can they survive infancy?' The answer is unclear thus far, as their remit expires at the end of the current Parliament when they will be reviewed. However, what is more certain is that their future depends on the outcome of the next general election.

## 5.5.1 – Background

The creation of regional select committees was partly motivated by the need to tackle the "regional governance" element of the "English Question". As Peter Riddell notes, England remains the 'missing piece of the devolution jigsaw'. Though devolution has been partly premised upon securing the Union's future from the threat of nationalism, the policy-making argument has been one of efficacy: regional questions require regional answers. Seen from this "regional" perspective, devolution to Wales, Scotland and Northern Ireland has been a method of augmenting the subsidiarity and therefore policy-making efficacy of the UK as a whole. Thus, if the UK's "national" regions of Scotland, Wales and Northern Ireland, with their relatively miniscule populations vis-à-vis England, can have accountable regional policy-makers, then why not England?

Motivated by this post-devolution question, but derailed by the resounding 'no' answer by the electorate to proposals to create an elected assembly in the Northeast in 2004, the government turned to inward measures. Instead of elected assemblies, the government proposed creating regional committees composed of MPs from those areas (who thus have some level of accountability). This is a role similar to those of the current territorial Offices of Scotland, Wales and Northern

<sup>&</sup>lt;sup>152</sup> Peter Riddell, The House Magazine: Issue 1297,

http://www.housemag.co.uk/index.php?id=340&tx\_ttnews[tt\_news]=9223&tx\_ttnews[back Pid]=92&type=editorial, 27<sup>th</sup> March 2009.

Peter Riddell, The House Magazine: Issue 1297, <a href="http://www.housemag.co.uk/index.php?id=340&tx\_ttnews[tt\_news]=9223&tx\_ttnews[back-pid]=92&type=editorial, 27<sup>th</sup> March 2009.</a>

Ireland, though their primary role would be scrutinising the work of their respective Regional Development Agency (RDA).

Establishing these committees, the government asserted in its Green Paper on constitutional reform back in 2007, would 'offer an important step forward in democratic accountability and scrutiny of the delivery of public services in the English regions.' Though the Green Paper on constitutional reform has lagged, along with Gordon Brown's "Britishness Agenda", nine new regional ministers were created, while the Regional Affairs Committee (which lay dormant since 2004) and the regional assemblies (which were non-legislative, voluntary organisations) were discontinued. This latter move in particular enlarged the perceived vacuum in regional governance and accountability, providing a stronger argument for the creation of the committees. Finally, on 12<sup>th</sup> November last year, the proposals for eight new regional committees (excluding London) with matching grand committees (to serve as forums for scrutiny) were pushed through Parliament by a whipped vote. The former were to meet six times a year, and the latter up to two.

## 5.5.2 - The appointment of regional select committee members

Though the agreement came into force on the 1<sup>st</sup> January 2009, it took until the 3<sup>rd</sup> March for the House to appoint members to the Committees. Like the vote establishing consent for their formation, this was pushed through by the government amidst vociferous debate amongst the parties:

The Conservatives reinforced their opposition to regional committees and regional governance in principle, with John Redwood stating,

'The north-east is the only part of the country that was allowed a vote on regional government, which was voted down resoundingly. What part of "no" does the Deputy Leader of the House not understand?' 155

<sup>155</sup> Commons Hansard, 3<sup>rd</sup> March 2009: Col 784,

<sup>&</sup>lt;sup>154</sup> Ministry of Justice, 'The Governance of Britain', Cm 7170, July 2007, para. 120.

http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090303/debtext/90303-0012.htm

The Government responded by attempting to reframe the debate, with Deputy Leader of the House, Chris Bryant asserting,

The motions are nothing to do with regional government. Regional development agencies and other regional bodies spend a large amount of money on behalf of the taxpayer and it is inappropriate, especially at such a time, for that money not to receive proper scrutiny and consideration by the whole House, not only individual Members in a region. We are considering parliamentary scrutiny of the work that goes on in the regions.<sup>156</sup>

Previously, the Conservatives' opposition had nearly derailed the Committee idea altogether. A Motion put forward by Shadow Commons Leader Theresa May during the debate on 12<sup>th</sup> November to singularly approve regional grand committees rather than regional select committees fell narrowly by 233 for and 250 against.<sup>157</sup>

The Liberal Democrats, on the other hand, accepted the idea of regional committees in principle, but contested the Government's position that they should reflect the composition of the House (i.e. be Labour-dominated). This would mean of the nine members on each committee, five would be Labour, three would be Conservative and just one would be Lib Dem. Jeremy Brown pointed out that on the South-West Committee, 'only one member of the South-West Committee would be a Liberal Democrat, despite the fact that the Liberal Democrats are the second biggest party in the region.' Shadow Leader of the House, David Heath, expressed his consternation less reservedly,

"There is probably no idea, however sensible at the start and however valuable it may be, that this Government cannot turn into a dog's dinner with their cloth-eared intransigence, their inability to give up even a scintilla of power from the centre and their inability to grasp the concepts of parliamentary structures and

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<sup>&</sup>lt;sup>156</sup> Commons Hansard, 3<sup>rd</sup> March 2009: Col 782.

Leader of the House of Commons, 'Statements and Debates: Wednesday 12 November', <a href="http://www.commonsleader.gov.uk/output/page2614.asp">http://www.commonsleader.gov.uk/output/page2614.asp</a>

<sup>&</sup>lt;sup>158</sup> Commons Hansard, 3<sup>rd</sup> March 2009: Col 787.

accountability and the will of the electorate in the regions of this country."159

The reluctance of the opposition parties to nominate MPs went beyond ideological differences, however. On being invited to nominate members of his own party from Worcestershire and Hereford, Peter Luff indicated, 'the problem is that one is a Whip, while I am a Chairman of a Select Committee who does not have the time, and my hon. Friend Miss Kirkbride is already on two Select Committees... Requiring them to serve on yet another Committee would undermine the Select Committee system.' 160

The absence of cross-party consensus, combined with the lack of multi-party involvement in the committees, has removed much of their legitimacy. Select Committees traditionally depend on the consensual nature of both their formation and involvement as they are meant to be Parliamentary rather than party-political bodies. For this reason veteran Conservative parliamentarian Edward Leigh pronounced them 'doomed from the start.'161

In the event, the Motion for the appointments passed narrowly 257 for and 190 against. Neither of the main opposition parties put forward MPs for nomination to the Committees, leaving them with five Labour MPs each.

## 5.5.3 - Committee business

All eight committees met in either March or April and elected their chairpersons. 162 Most announced inquiries into the economic impact of the recession and the government's response to it, reflecting their general remit of providing a 'clear sense of strategic direction for their region.'163

East of England Committee (Chair Margaret Moran) - Called for evidence on 'The Impact of the Government's response to the Global Economic Downturn in the East of England Region' on 24th April.

<sup>&</sup>lt;sup>159</sup> Liberal Democrats, 'Liberal Democrats veto unrepresentative Regional Select Committees in protest', http://www.libdems.org.uk/home/liberal-democrats-veto-unrepresentativeregional-select-committees-in-protest-180356198; show, 4th March 2009.

<sup>&</sup>lt;sup>160</sup> Commons Hansard, 3<sup>rd</sup> March 2009: Col 789. <sup>161</sup> Commons Hansard, 3<sup>rd</sup> March 2009: Col 783.

<sup>&</sup>lt;sup>162</sup> Their homepages can be accessed from: http://www.parliament.uk/parliamentary committees/regional.cfm, while the websites of the respective Government Offices that advise them can be found at: http://www.gos.gov.uk/national/

Government Office for the South East, 'Role of Regional Ministers', http://www.gose.gov.uk/gose/584390/797304/

- <u>East Midlands Committee</u> (Chair Paddy Tipping) held two evidence hearings on 'East Midlands Development Agency and the Regional Economic Strategy' during April and May.<sup>164</sup>
- North East Committee (Chair Dari Taylor) Announced inquiry into 'Industry and Innovation in the North East of England' and called for evidenced on the 24<sup>th</sup> April.
- North West Committee (Chair David Crausby) Announced an inquiry into 'the impact of the current economic situation on the North West and the Government's response'.
- South West Committee (Chair Alison Seabeck) Took evidence on the 30<sup>th</sup>
  March into its inquiry into the 'industry impact of the current economic situation on the South West and the Government's response'.
- <u>South East Committee</u> (Chair Stephen Ladyman) Took evidence from the South East England Development Agency on the areas region's economic strategy on 11<sup>th</sup> May.<sup>165</sup>
- West Midlands Committee (Chair Richard Burden) Two evidence sessions heard in April and May into 'the impact of the current economic and financial situation on businesses in the West Midlands Region'
- Yorkshire and The Humber Committee (Chair Eric Illsle) called for evidence on the work of Yorkshire Forward, the region's Regional Development Agency on the 2<sup>nd</sup> April.

## **5.6 Territorial Grand Committees**

## 5.6.1 -Welsh Grand Committee

The Welsh Grand Committee met twice in the period covered and once in the previous period, which had been missed by the last report.

 On 17<sup>th</sup> December 2008 the Welsh Grand Committee met to consider the matter of Public Expenditure in Wales, discussing the difficulties facing small

<sup>&</sup>lt;sup>164</sup> Uncorrected evidence from the East Midlands Development Agency on 11<sup>th</sup> April can be found at: <a href="http://www.publications.parliament.uk/pa/cm200809/cmselect/cmeastmid/uc406-i/uc40601.htm">http://www.publications.parliament.uk/pa/cm200809/cmselect/cmeastmid/uc406-i/uc40601.htm</a>

Uncorrected evidence can be found here:
http://www.publications.parliament.uk/pa/cm/cmseast.htm

- and large enterprises, as well as the First Minister's meetings with the TUC and CBI Wales. <sup>166</sup>
- On 21<sup>st</sup> January 2009 the Welsh Grand Committee met to discuss the Legislative Programme's impact on Wales. They discussed the two Bills in Parliament containing framework powers: the Marine and Coastal Access Bill and the Local Democracy, Economic Development and Construction Bill. The Shadow Secretary of State for Wales, Cheryl Gillan, complained that the former had been 'dithered over for some time,' whilst Wales' 'marine habitats have deteriorated and our fishing stocks have declined.' 167
- On 6<sup>th</sup> May 2009 (the Welsh Assembly's 10<sup>th</sup> anniversary) the Welsh Grand Committee met to discuss the Budget Statement. They noted that public expenditure growth in Wales had not kept up with that in England, and demanded more funding for the Welsh public sector.<sup>168</sup>

### 5.6.2 - Scottish Grand Committee

No meetings of the Scottish Grand Committee took place during this period.
 The Committee has not met since 2003, and therefore remains dormant.

### 5.6.3 - Northern Ireland Grand Committee

 No meetings of the Northern Ireland Grand Committee took place during this period.

## 5.6.4 - Regional Grand Committees for England

The Regional Grand Committees have yet to be appointed or meet.

<sup>&</sup>lt;sup>166</sup> Commons Hansard, Welsh Grand Committee Debates Session 08-09, 'Public Expenditure',

 $<sup>\</sup>underline{\text{http://www.publications.parliament.uk/pa/cm200809/cmgeneral/welshg/081217/am/81217}} s 0.1.htm \ \text{and}$ 

http://www.publications.parliament.uk/pa/cm200809/cmgeneral/welshg/081217/pm/81217 s01.htm, 17th December 2008.

<sup>&</sup>lt;sup>167</sup> Commons Hansard, 'Legislative Programme (Wales)', Col. 15, http://www.publications.parliament.uk/pa/cm200809/cmgeneral/welshg/090121/am/90121 s03.htm, 21<sup>st</sup> January 2009.

<sup>168</sup> Commons Hansard, 'Budget Statement',

http://www.publications.parliament.uk/pa/cm200809/cmgeneral/welshg/090506/am/90506 s01.htm and

http://www.publications.parliament.uk/pa/cm200809/cmgeneral/welshg/090506/pm/90506 s01.htm, 6<sup>th</sup> Mary 2009

### **5.7 Lords Constitution Committee**

On 30 January the Lords Constitution Select Committee published its annual report. It noted that in the 2007-08 parliamentary session it had examined and cleared four proposed LCOs,<sup>169</sup> and had decided in July 2008 to extend its initial 12-month trial period for scrutiny of the LCOs for a further 12 months. At the end of this period it will consider whether it should continue in this role.<sup>170</sup>

In addition, the Committee is conducting an inquiry into the 'Cabinet Office and the Centre of Government', which it said is 'often characterised by a more diverse, fragmented, complex, pluralistic and decentralised policy-making arena.' The Committee will inquire into all aspects of the Cabinet Office, including 'how the Cabinet Office's relationships with all units across Whitehall and beyond, including at a European and devolved level, have altered'. It did not state when it expected to release a report.

### 5.8 Barnett Formula Committee

The House of Lords Committee on the Barnett Formula was launched on the 10<sup>th</sup> December last year, as the Lords' annual 'ad-hoc' investigation into a specific area of interest. Its remit is to consider,

'The purpose, methodology and application of the Barnett Formula as a means of determining funding for the devolved administrations of the United Kingdom, to assess the effectiveness of the calculation mechanism to meet its purpose, and to consider alternative mechanisms.' 173

<sup>&</sup>lt;sup>169</sup> Relating to Social Welfare, Vulnerable Children, Housing and Red Meat

Lords Constitution Committee, 'Annual Report 2007-08', HL 20, para. 26-29.

Lords Constitution Committee, 'Cabinet Offce and the Centre of Government: Call for Evidence', <a href="http://www.parliament.uk/documents/upload/FinalCfECabinet.doc">http://www.parliament.uk/documents/upload/FinalCfECabinet.doc</a>, 27<sup>th</sup> March 2009.

<sup>&</sup>lt;sup>172</sup> Ibid.

Lords Barnett Formula Committee, 'Press Release: House of Lords Launch New Committee on the Barnett Formula',

http://www.parliament.uk/parliamentary\_committees/lords\_press\_notices/pn101208barnet t.cfm, 10<sup>th</sup> December 2008.

On 28<sup>th</sup> January the Committee heard evidence from an indignant Lord Barnett, the eponymous inventor of the contentious Formula that characterises the UK's territorial financial settlement.<sup>174</sup> Lord Barnett had been lobbying for the formation of a Lords Committee on this matter for some time. He was dismayed that the interim measures he instigated to ease political pressure upon the Government of 1979 would become a "Formula":

'I never dreamed it would go on for 30 years ... [In Government] you don't change something if you can avoid it, and so it became a "Formula" 175

Referring to the present gap between spending per capita in England to that of Scotland (presently around £1,600), he said 'I don't think it's fair, it can't be fair with this kind of gap... if something isn't done... then the people of England will get more and more upset.' In his assessment of what a prospective future "Formula" should look like, he stated his belief it would be fairer under a system of needs-assessment, and that it should be flexible, and thus non-statutory. However, on which criteria were justifiable he stated, 'what is justifiable is in the eye of the beholder... those are political decisions.'<sup>176</sup>

The Committee then held various evidence-hearing sessions, including in Cardiff on the 20<sup>th</sup> March and Belfast on the 25<sup>th</sup>. The panel heard from economists, academics, accountants, politicians, and others. This was followed by evidence from the territorial Secretaries of State on the 1<sup>st</sup> April.<sup>177</sup> The report is expected before the summer recess.

 $\underline{\text{http://www.parliament.uk/parliamentary\_committees/hlbarnettformula/barnettuncorrected.}} \\ \underline{\text{cfm}}$ 

Full video of the session available at: Parliament TV, 'HOL Barnett Formula Select Committee', <a href="http://www.parliamentlive.tv/main/Player.aspx?meetingid=3320">http://www.parliamentlive.tv/main/Player.aspx?meetingid=3320</a>, 28<sup>th</sup> January 2000

<sup>&</sup>lt;sup>175</sup> Ibid.

<sup>&</sup>lt;sup>176</sup> Ibid.

All uncorrected evidence can be found here:

# 6. INTERGOVERNMENTAL RELATIONS

As the economic outlook continued to decline in all regions of the UK in the first months of 2009, increased levels of intergovernmental conflict seemed inevitable. The annual budget was the most precarious moment for intergovernmental relations, as stinging cuts were widely anticipated. As it turned out, the government's plan for a record annual budget deficit of £175 billion meant that such cuts for the devolved nations were milder than had been anticipated. Though the Scottish Government remained the most hostile, the other administrations conveyed more support of the Centre (see section 3.2.1).

However, with the Holtham Commission, Calman Commission, and the Lords Barnett Formula Select Committee (see sections 3.2.2, 3.2.3 and 5.8 respectively) all set to report before the summer recess – and all likely to recommend fundamental changes – the territorial financial settlement will increase as a source of conflict. As with public expenditure levels, 2009 may represent the 'high water mark' for relations over the central issue of government funding.

# 6.1 - Framework for intergovernmental relations: out of date?

The Justice Committee's report 'Devolution: a Decade On' (see section 5.1) investigated the framework for intergovernmental relations: the non-statutory *Memorandum of Understanding* and the subsequent *Concordats*.

It heard evidence from a variety of sources, including some authors of the various Devolution Monitoring Reports. It remarked on how surprisingly cordial relations had been between the devolved administrations and the centre over the last decade, with not a single case referred to the Joint Ministerial Committee for arbitration. However, it acknowledged that these structures of co-ordination 'grew out of relationships between departments of the same government.' Permanent Secretary to the Scottish Government, Sir John Elvidge, told the Committee, 'we have to reflect on the fact that they were written and tested in one era of political relationships and it is an open question whether they will prove as robust in a changing era of political

House of Common Justice Committee, 'Devolution: A Decade On', <a href="http://www.publications.parliament.uk/pa/cm200809/cmselect/cmjust/529/529i.pdf">http://www.publications.parliament.uk/pa/cm200809/cmselect/cmjust/529/529i.pdf</a>; 24<sup>th</sup> May 2009, p. 35, para. 104

relationships.'<sup>179</sup> Further, the Committee found that these relationships had, until very recently, 'operated within a context of record levels of public expenditure within the United Kingdom.' Current economic realities, it said, 'may sharpen different territorial interests, and this has the potential to increase the levels of tension and dispute between governments.'<sup>180</sup>

With both eras – of rising public expenditure and amicable relations rooted in administrations of a shared political party – now firmly over, the inquiry found 'a broad consensus that these arrangements were no longer necessarily fit for purpose given the current political and economic climate in the United Kingdom.' It affirmed that a formal transparent structure is now needed to facilitate the co-ordination of action in areas of joint interest, good relations, and the promotion of common interests. 'The absence of such a structure is one of the weaknesses of the current devolution settlement.' 182

### 6.2 - Joint Ministerial Committee

Both of the JMC's sub-committees – 'Europe' and 'Domestic' (the latter merged the previous three sub-committees on 'Knowledge Economy', 'Health' and 'Poverty') – met, but both continued to be tight-lipped about what issues were discussed and what were the outcomes.

This issue of opacity was also mentioned in the Justice Committee's report on devolution (see section 5.1). It quoted former Secretary of State for Scotland, Des Browne, as stating there was a 'convention that we do not surface that disagreement because people concentrate on that,' because, 'it does not seem... that governance would be improved at all by having this out in the public domain.' However, the Committee believed the concern of effective governance 'missed the point' that:

'these structures facilitate relationships between governments, who may have different legitimate positions, different political mandates, and who are accountable to different parts of the

<sup>183</sup> Ibid. p. 35, para. 102

<sup>&</sup>lt;sup>179</sup> House of Common Justice Committee, 'Devolution: A Decade On', p. 34, para. 100

<sup>180</sup> Ihid

<sup>&</sup>lt;sup>181</sup> Ibid. p. 31, para. 89

<sup>&</sup>lt;sup>182</sup> Ibid.

electorate. They are not conversations within a single government, but between separate governments.'184

It cited a need for 'culture change in Whitehall' so that it may 'welcome that diversity rather than be threatened by it.' 185

- The **Joint Ministerial Committee (Europe)** met on 9<sup>th</sup> March in London, chaired by the Foreign Secretary David Miliband, to discuss the UK's EU interests. No report or minutes were published.
- Two days later on 11<sup>th</sup> March 2009 the Joint Ministerial Committee (Domestic), also known as 'JMC-D', had its first ever meeting, also held in London. Ministers discussed the Welfare Reform Bill and the loophole that allows prisoners to sue the Scottish Government over 'doubled up slopping out' 186 outside the one-year time bar, amongst other matters.
- The following day on the 12<sup>th</sup> March, Finance Ministers from the devolved administrations and the Chief Secretary to the Treasury, Yvette Cooper, took part in a quadrilateral meeting in Edinburgh.<sup>187</sup>
- **JMC-D** met a second time on the 13<sup>th</sup> May. No report was released, but Lord Wallace of Tankerness did submit a written question to the Government to ask 'who represented them and each of the devolved administration... what subjects were discussed; and what outcomes were agreed.' The question remains unanswered.
- There was no plenary meeting of the **Joint Ministerial Committee** during the first five months of 2009.
- However, on 26<sup>th</sup> February Gordon Brown met with leaders of the devolved administrations to discuss the recession.<sup>189</sup> This was the first time Brown had met face-to-face with the Scottish First Minister Alex Salmond since April 2008, and relations remained frosty. Subsequently, there was little

185 Ibid, Rt Hon Jack McDonnell MSP.

<sup>184</sup> Ibid.

When two prisoners are forced to use a makeshift toilet because of insufficient sanitation facilities: Scottish Government News, 'Compensation for prisoners', http://www.scotland.gov.uk/News/Releases/2009/03/11135815, 11<sup>th</sup> March 2009.

Cabinet Office, 'Devolution News', <a href="http://www.cabinetoffice.gov.uk/devolution/news.aspx">http://www.cabinetoffice.gov.uk/devolution/news.aspx</a>
House of Lords, 'House of Lords Business: Monday 18<sup>th</sup> May', HL3770.

The Telegraph, 'Gordon Brown meets devolved leaders to discuss recession', <a href="http://www.telegraph.co.uk/finance/financetopics/recession/4803264/Gordon-Brown-meets-devolved-leaders-to-discuss-recession.html">http://www.telegraph.co.uk/finance/financetopics/recession/4803264/Gordon-Brown-meets-devolved-leaders-to-discuss-recession.html</a>, 25<sup>th</sup> February 2009.

agreement, even as to what had been agreed. 190

### 6.4 - British-Irish Council

The British-Irish Council held its twelfth Summit on the 20<sup>th</sup> February 2009 in Cardiff. It released a Communiqué detailing what was discussed. 191 In attendance from Westminster was the Secretary of State for Wales, Paul Murphy (continuing in his implicit role as the major multi-lateral representative for devolution), and Minister for the Third Sector, Kevin Brennan. Other notable attendees included the Taoiseach of Ireland, Brian Cowen, and First Ministers from all the devolved nations. Primary topics included the economic downturn, promoting social inclusion (particularly involving the third sector's involvement), drug abuse, the environment, and transport. The next Summit will be held in October 2009 in Jersey.

## 6.5 - British-Irish Parliamentary Assembly

The British-Irish Parliamentary Assembly (successor to the British-Irish Inter-Parliamentary Body), met in plenary in Donegal, Ireland on 29th March 2009. This marked the organisation's 38th meeting, which now includes 50 representatives from Westminster, the Northern Ireland Assembly, the Welsh Assembly, the Scottish Parliament, the Isle of Man, and the Channel Islands. Issues discussed included renewable energy, national ID cards, the integration of migrant workers and calls for the British government to release all intelligence files in relation to the Omagh bombing, a decade after the attack killed 29 people. 192

The day before the meetings, talks were held on the possibility of Cornwall becoming a member. The county, which now has its own 'super-council' (see section 3.6), is seeking 'a place at certain tables' to 'develop not just cultural but also cordial political

<sup>&</sup>lt;sup>190</sup> The Times, 'Salmond meets Brown over economic crisis', http://www.timesonline.co.uk/tol/news/uk/scotland/article5805093.ece, 26th February

<sup>&</sup>lt;sup>191</sup> Full Communiqué available at:

http://www.britishirishcouncil.org/documents/cardiff\_summit2.asp

British-Irish Inter-Parliamentary Body, http://www.biipb.org/biipb/summary/sumhome.htm

links with our longstanding and fellow Celtic nations', according to St. Ives MP Andrew George. 193 No further progress has been made.

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This is Cornwall, 'Cornwall turns to Celtic Assembly', <a href="http://www.thisiscornwall.co.uk/homepagenews/County-launches-bid-join-Celtic-assembly/article-852172-detail/article.html">http://www.thisiscornwall.co.uk/homepagenews/County-launches-bid-join-Celtic-assembly/article-852172-detail/article.html</a>, March 28<sup>th</sup> 2009.