

House of Commons
Welsh Affairs Committee

**WORK OF THE
COMMITTEE IN 2002**

Third Report of Session 2002–03

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*Report, together with
Proceedings of the Committee*

Ordered by The House of Commons to be printed 8th January 2003

HC 263
Published on 6th February 2003 by authority of the House of Commons
London : The Stationery Office Limited
£4.00

The Welsh Affairs Committee

The Welsh Affairs Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Office of the Secretary of State for Wales (including relations with the National Assembly for Wales).

Current Membership

Mr Martyn Jones MP (*Labour, Clwyd South*) (Chairman)
Mr Martin Caton MP (*Labour, Gower*)
Mr Huw Edwards MP (*Labour, Monmouth*)
Dr Hywel Francis, MP (*Labour, Aberavon*)
Ms Julie Morgan MP (*Labour, Cardiff North*)
Mr Albert Owen MP (*Labour, Ynys Môn*)
Mr Adam Price MP (*Plaid Cymru, Carmarthen East and Dinefwr*)
Mr Mark Prisk MP (*Conservative, Hertford and Stortford*)
Mr Bill Wiggin MP (*Conservative, Leominster*)
Mrs Betty Williams MP (*Labour, Conwy*)
Mr Roger Williams MP (*Liberal Democrat, Brecon and Radnorshire*)

The following member was also a member of the Committee during the Parliament:
Mr Chris Ruane MP (*Labour, Vale of Clwyd*)

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/parliamentary_committees/welsh_affairs_committee.cfm. A list of Reports of the Committee in the present Parliament is at the back of this volume.

Contacts

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THIRD REPORT

The Welsh Affairs Committee has agreed to the following Report:

Introduction

1. This report is the third annual report from the Welsh Affairs Committee to the House and covers the work of the Committee during 2002.¹

2. The Liaison Committee recently made a number of recommendations to establish common objectives for select committees, which it suggested should be reflected in their Annual Reports to the House.² Devolution has resulted in the Wales Office, in its own words, becoming “a small policy department with few executive functions”.³ Therefore, many of the common objectives do not apply to this Committee. Where they are relevant to this Committee they are reflected in this report. One objective – the scrutiny of legislation – is particularly important to the Welsh Affairs Committee. Unlike most select committees who scrutinise legislation from a single department, we may need to scrutinise legislation that covers any one of the government departments. Furthermore, legislation passed in Westminster will often have an impact on the National Assembly for Wales. Therefore, our task is more complicated than most but equally important. We return to our work in this area later in this report.⁴

3. The common objectives suggested by the Liaison Committee do not fit neatly with our work. Our first inquiry *the Children’s Society in Wales* covered the controversial actions of an NGO, while another, *the Primary Legislative Process as it affects Wales*, addressed the constitutional framework within which we and the National Assembly work. However, our other inquiries addressed the objectives of scrutiny of government policy action and, where they were apparent, deficiencies. Where appropriate, our inquiries also took account of the European dimension.

Reports and Inquiries

4. During 2002, the Committee undertook seven major inquiries, and published five reports. They were: the Children’s Society in Wales, Objective 1 European Funding for Wales, the draft National Health Service (Wales) Bill, Broadband in Wales, Transport in Wales, the Primary Legislative Process as it affects Wales and the Empowerment of Children and Young People in Wales. These subjects demonstrate the wide range of policy issues that we cover.

The Children’s Society in Wales

5. Our first Report in 2002, *the Children’s Society in Wales*, was published on 15 February 2002 (Session 2001–02, HC 525). The inquiry arose out of the decision of the Children’s Society to close their operations in Wales. This decision, of which no prior warning had been given, was met with widespread concern in Wales, particularly among Welsh Members of Parliament and Members of the National Assembly. Late in 2001, we took evidence from the Children’s Society. In addition to asking the Government to respond, a copy of the Report was sent to the Charity Commission so that it could take a view on whether the Committee’s findings warranted further investigation.

¹ The first annual report (Welsh Affairs Committee, First Special Report of 2000–01, *The Work of the Committee Since Devolution* (HC 81)) was published on 21 December 2000. The second annual report was published as Appendix T to the First Report from the Liaison Committee, Session 2001–02, *Work of Select Committees 2001*, (HC590).

² Liaison Committee, Second Report of Session 2001–02, *Select Committees: Modernisation Proposals*, HC 692.

³ Wales Office, *Departmental Report 2002*, Cm 5431.

⁴ Paragraphs 14 and 15.

6. The Charity Commission shared our concerns about the shortcomings of the way in which the decision was handled by the Children's Society, especially the lack of prior consultation with statutory funders, which might have generated 'rescue' funding opportunities. They concluded that the Society "[could] not be said to have managed its financial circumstances as successfully in some respects as could, and arguably should, have been the case". The Commissioners advised the Society that its handling of the situation "fell short of good practice".⁵

Objective 1 European Funding for Wales

7. Our second Report, *Objective 1 European Funding for Wales*, (Session 2001–02 HC520) was published on 22 May 2002, and focused on the UK Government's role in the delivery of the Objective 1 Programme in Wales. This was a complicated task as responsibility for the Objective 1 Programme straddles the European Commission, six UK Government departments, the National Assembly for Wales and the Welsh European Funding Office (WEFO), the agency which the Assembly established to oversee the Programme. As a significant proportion of Wales receives Objective 1 Funding it was important for us to scrutinise the UK government's role in its delivery. We held three evidence sessions, including one in Brussels where we took formal evidence from representatives of the European Commission.

Broadband in Wales

8. Our Report on *Broadband in Wales* (First Report, Session 2002–03, HC95) was originally inspired by a submission from a large company in North Wales which was experiencing difficulties in obtaining broadband connection at a reasonable cost. Wales lagged behind other UK regions in many aspects of the exploitation of ICT, in spite of the fact that some broadband technologies can be deployed as easily in Wales as anywhere else. We also took evidence both at Westminster and in Wales. In addition to taking formal evidence we held informal meetings with the Welsh Development Agency, British Telecom and NTL. Our report was published on 26 November 2002.

Transport in Wales

9. The final Report agreed in the year was *Transport in Wales* (HC205). Transport policy in Wales, is based on a complex network of shared responsibilities and power between the UK government and the National Assembly for Wales. We play an important role in scrutinising the relationship between the responsibilities of the UK government and those of the National Assembly, and whether the correct relationship has been achieved. Therefore, this inquiry focused equally on the structural framework, the division of powers between Westminster and Cardiff, and the modes of transport that remain under the authority of the UK government. In addition to seven formal evidence sessions, we made several visits to Wales to see first-hand the transport network in Wales. We will return to this subject, and in particular the award of the Wales and Borders franchise, in the near future.

⁵ Welsh Affairs Committee, Fourth Report of Session 2001–02, *The Children's Society in Wales: Responses from the Government and the Charity Commission to the First Report of the Committee of Session 2001–2002*, HC989.

The Legislative Process as it affects Wales

10. It is important for us to develop a close working relationship with the Assembly. One tangible way we do this is by canvassing Assembly Members for possible future inquiries. Our current inquiry into the Primary Legislative Process as it affects Wales came out of such an exercise.

11. We decided to scrutinise this issue following representations from Assembly Members, including the Panel of Committee Chairs and in the light of the Assembly Review of Procedure. We took evidence from the Presiding Officer and Deputy Presiding Officer of the Assembly, the First Minister and the Secretary of State for Wales. We also took evidence from Geoffrey Bowman CB, First Parliamentary Counsel, which we believe to be the first time First Parliamentary Counsel has given evidence to a departmental select committee. In addition to these formal meetings, we held a meeting in the National Assembly to which all Assembly Members were invited to come and give their views. We expect to report our findings early in 2003.

Empowering Children and Young People in Wales

12. Our work for the next couple of months will concentrate on our major inquiry into Empowering Children and Young People in Wales. The inquiry will focus on political participation; citizenship and active communities; and disability, race, cultural diversity and sexual preference. The inquiry will also draw upon our previous report on Social Exclusion.

Oral Evidence

13. Occasionally we need to react to current events. When the Post Office announced a programme of closures, we took evidence at Westminster from Consignia and the Communications Workers Union on the effects of these closures on Wales.⁶

Legislation

Draft National Health Service (Wales) Bill

14. The Liaison Committee also recommended that select Committees play a more prominent role in the pre-legislative scrutiny. In May 2002, the Government published the first ever draft Bill for Wales: the draft National Health Service (Wales) Bill. Although the timescale available for an inquiry was short, we believed that it was important that we scrutinise the draft bill. We held two evidence sessions in June 2002. At the first, in the National Assembly for Wales, we took evidence from a number of health organisations. At the second, held in Westminster, we took evidence from Don Touhig MP, Parliamentary Under- Secretary of State for Wales and Jane Hutt AM, Minister for Health and Social Services, Welsh Assembly Government. A report was published soon afterwards, on 4 July 2002. This was a valuable exercise and the Bill as presented reflected a number of the changes we had suggested. The Report also made a positive contribution to the Welsh Grand Committee debate, the second reading debate on the Bill, and at Standing Committee stage.

⁶ Minutes of Evidence, HC (Session 2001–02) 817.

Future Programme

15. In November, we took evidence from the First Minister of the Wales Assembly Government on our inquiry into the Primary Legislative Process as it affects Wales. At the meeting he told us that he expected another draft bill for Wales to be published in this session, and that a rolling programme of one Wales-only Bill and one draft Wales-only Bill per session could become standard practice. The Welsh Affairs Committee has an important part to play in pre-legislative scrutiny. We would welcome such a rolling programme and look forward to scrutinising draft bills when they are published.

Government Responses

16. In our last annual report we commented that there were delays in receiving Government responses to our reports.⁷ We are pleased to note that the Wales Office has improved its performance and, in general, responded to last year's reports within the two-month deadline. The response to our Report on The Children's Society in Wales fell just outside that deadline, while responses to our Reports on Objective 1 Funding and the Draft NHS (Wales) Bill were received within two months. The National Assembly for Wales also comments on our reports though it is not under any formal obligation to respond at all. Over the last year the Assembly's response has been in the form of a memorandum to the Committee and we thought it helpful to publish both responses in a single volume. The Welsh Assembly Government has now stated its intention to respond to our reports by means of an oral statement at the Assembly. We welcome its continued interest in our work.

Devolution

17. The Committee is keen to continue to play an active part in post-devolution Wales, and the Chairman of the Committee, along with the Chairmen of the Northern Ireland Affairs and Scottish Affairs Committees, gave evidence to the House of Lords Constitutional Committee on its inquiry into the working of devolution.

Examination of the Expenditure and Administration of the Wales Office

18. On 15 October we took evidence from the Secretary of State for Wales and his senior officials on the Wales Office Departmental Report.⁸ In our last annual report we said that we were not convinced that we had the correct balance for this exercise. This year we refined the process by requesting a memorandum covering the detailed information on the policy, finance and administration of the Department in advance of the meeting. This gave us the opportunity to question the Secretary of State and his officials on wider issues and themes. We found this to be a successful format and we will repeat the exercise when the next departmental report is published.

Visits to Wales

19. Six of the thirty-three formal meetings of the Committee were held in Wales. We also held many informal meetings with individuals and organisations in Wales. Over the course of the last year we met with over 70 representatives from around Wales in Cardiff (on several occasions), Anglesey, Bangor, Conwy, Bwlch Wells, Swansea, Merthyr Tydfil and Neath. We regard these meetings as vital to our inquiries and they ensure that we can accurately gauge the views and concerns of the people of Wales.

⁷ HC (2001–02) 590, Annex T, paras 10 and 11.

⁸ Minutes of Evidence, HC (2002–03)1216.

Relations with the National Assembly for Wales

20. Wherever possible, we have consulted with our colleagues at the National Assembly whose assistance with our inquiries has been extremely helpful. In our last annual report we listed a number of meetings we held with Assembly Committees.⁹ We continued this practice over the last year. When we considered the draft National Health Service (Wales) Bill, we attended the Health and Social Services Committee's debate on the draft Bill. We also held informal meetings with representatives of the National Assembly during our inquiry into Objective 1 European Funding for Wales. Later in the year we received a briefing from Welsh Assembly Government officials on its policies regarding Children and Young People in Wales. Meeting with Assembly Committees on an informal basis is a useful exercise but the ability to meet formally, when our work and theirs coincides, would be of even greater use. We will seek guidance from the Procedure Committee on how this situation can be resolved.

21. In our last annual report we expressed our gratitude to the Presiding Officer "for his efforts to make us feel welcome at Cardiff Bay by allowing us to use our Palace of Westminster passes to gain access to the building", and stated our regret "that it has not yet been possible to establish reciprocal arrangements for AMs at Westminster". Since then, the National Assembly has issued passes to Members of this Committee, Members of Parliament with Welsh Constituencies and Opposition Front Bench spokesmen. We drew this to the attention of the House of Commons Administration Committee and repeated our desire for Assembly Members to be issued with unescorted passes — along similar lines to former Members of Parliament— for the Palace of Westminster. This proposal was again refused. We regret the continued refusal of the responsible authorities at Westminster to issue passes, and reiterate our view that National Assembly Members should be afforded a higher degree of recognition at Westminster.

Conclusion

22. We have continued to monitor Government policy as it affects Wales and to provide a voice for Wales at Westminster. We look forward to continuing this role during the next year.

⁹ HC (2001–02)590, Annex T, paras 10 and 11.

PROCEEDINGS OF THE COMMITTEE RELATING TO THE REPORT

WEDNESDAY 8 JANUARY 2003

Members present:

Mr Martyn Jones, in the Chair

Mr Martin Caton
Mr Huw Edwards
Ms Julie Morgan
Mr Albert Owen

Mr Adam Price
Mr Bill Wiggin
Mrs Betty Williams
Mr Roger Williams

The Committee deliberated.

Draft Report [Work of the Committee in 2002] proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 22 read and agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

[Adjourned till Wednesday 22 January at Four o'clock.]

WELSH AFFAIRS COMMITTEE REPORTS: PARLIAMENT 2002–**Session 2001–02**

First Special Report: Government Response to the First Report of Session 2000–01, *Wales in the World*, (HC 270)

Second Special Report: Response of the National Assembly for Wales to the First Report of Session 2000–01, *Wales in the World*, (HC 311)

Third Special Report: Response of the National Assembly for Wales to the Third Report of Session 1999–2000, *Social Exclusion in Wales*, (HC 604)

Fourth Special Report: Response of the Government and the Welsh Assembly Government to the Second Report of the Committee of Session 2001–02, *objective 1: European Funding for Wales*

Fifth Special Report: The draft National Health Service (Wales) Bill: Response of the Government to the Third Report of the Committee of Session 2001–02

First Report: *The Children's Society in Wales* (HC 525)

Second Report: *Objective 1 European Funding for Wales* (HC 520)

Third Report: *The Draft National Health Service (Wales) Bill* (HC 959)

Fourth Report: *The Children's Society in Wales: Responses from the Government and The Charity Commission to the First Report of the Committee of Session 2001–02* (HC 2989)

Session 2002–03

First Report: *Broadband in Wales* (HC 95)

Second Report: *Transport in Wales* (HC 205– I & II)

ISBN 0-215-00803-0



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ISBN 0 215 00803 0