



Political and Constitutional Reform Committee

Oral evidence: [The future of devolution after the referendum](#), HC 700

Thursday 4 December 2014

Ordered by the House of Commons to be published on 4 December 2014.

[The Committee met at the Senedd, Cardiff]

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Members present: Mr Graham Allen (Chair); Paul Flynn; Fabian Hamilton

Questions 298 – 404

Examination of Witness

Witness: **Leanne Wood AM**, Leader, Plaid Cymru, gave evidence.

Q298 Chair: Leanne, I think you know what we're doing in the Select Committee on Political and Constitutional Reform. Since you and I last had a chat in your office, there has been plenty of—well, there's never enough, but there has been additional political and constitutional reform. Speaking personally, I welcome very much the excitement that we have seen in Scotland and the progress that has been made.

Mr Hague is doing his devolution Cabinet Committee, but we get the feeling that the emphasis will be on English votes for English laws and stuff like that, so as a parliamentary Committee rather than a Government Committee, we thought that we would cover all the bases and take the chance to, above all, visit Scotland, Wales and Northern Ireland to ask people what they think the Westminster Government should be doing and how that should look. We were up in Edinburgh a few weeks ago, and now we are here. We are going to Belfast in the first week of January, and we hope to report very quickly after that, because the Hague Cabinet Committee will have reported just before Christmas, we believe, and, as we don't think it likely that that is covering all the devolution issues, we want to get in pretty quickly, ahead of the manifesto making and, obviously, the general election. That's pretty much why we are here. Leanne, do you want to say something to start us off?

Leanne Wood: Yes, if you don't mind. Let me first of all say croeso—welcome—to you all. Welcome to Cardiff Bay, and thank you, Chair, for giving me the opportunity to address your Committee this morning. I hope that you will find your visit to the National Assembly productive.

I would like just to outline Plaid Cymru's general position in terms of Wales's devolution journey. The context for constitutional change has shifted in the light of Scotland's independence referendum. In terms of Wales, that process has shone yet another light on the inadequacy of the

current devolution settlement and the inadequacy of the current Wales Bill as a stand-alone instrument. It goes without saying that Plaid Cymru wants to see Wales become an independent country in the long term, but in the short term we believe that the primary basis for further self-government for Wales must be for Wales to have parity with Scotland. We should not be behind the other constituent parts of the UK. We have already had second-rate devolution behind Northern Ireland and Scotland, and the current period is an opportunity to catch up and secure significant new powers for Wales.

You will be aware that an agreement was reached by the four party leaders here in Wales. I believe that that agreement gives us the basis for implementing both Silk Commission reports in full, without any undue delay, in addition to applying new powers recommended by Smith for Scotland to Wales, too. Again, it goes without saying that Plaid Cymru would like to go much further than the agreement reached by all the party leaders, but we want to push and take whatever we can get at this point.

In addition to Silk plus Smith, we are arguing that responsibility for the Welsh constitution should rest with the people of Wales through their democratically elected representatives in this body. At UK-wide level, matters not being devolved should not result in their being perceived as powers reserved to Westminster; rather, they should be seen as powers shared between all the Governments of the UK.

I welcome Smith's recommendations for a significantly reformed JMC and, indeed, Plaid Cymru proposed such a reform quite some time ago. I believe that that body could be the natural forum for seeking agreement between the different Governments on a UK basis on UK-wide matters. That could accommodate any desire for one or more Governments to diverge. So, it is parity for Wales with Scotland in terms of further self-government and funding, and parity of esteem between all the parts of the UK at a UK level on matters that are not devolved. I am happy to take any questions that you might have.

Q299 Chair: I remember talking to Alex Salmond, when he was a Member of Parliament, on a few occasions and raising with him the issue of, "If you are to get devolution, you cannot just do it on your own"—although he has proved me wrong on that one. In a sense, isn't working together to achieve a UK-wide set of devolution issues really in everyone's interests, to move the whole thing forward? Otherwise, we are all going to try and do our own thing.

Obviously now English devolution is starting to rear its head in an organised form. I have been involved in some of that with the cities, rural areas and counties wanting to have a proper devolved settlement via local government in England. You have mentioned the sort of institutional mechanics of how that might work at the top level, but do you think that we all need to do more, to go beyond our own borders in a sense, and to share the devolution message?

Leanne Wood: It does not necessarily flow that all areas and all parts of the UK have to do the same thing—

Chair: Not the same thing, no.

Leanne Wood: But I would argue strongly that Wales is a nation and not a region, so that is why the parity with Scotland message is vital from our point of view. What happens in England is a matter for people in England. If the desire on the part of people in England is to go down the regional route, that is a matter for them. An English Parliament is another option. We had to have a referendum here to establish our Assembly, and there was a referendum in Scotland to establish the Scottish Parliament; perhaps there should be a debate around whether there should be a referendum to decide

this matter for England. As a politician representing Wales, however, I would say quite clearly that it is not a matter for me to interfere in how England organises its affairs.

Q300 Chair: No, but any help and advice you have to offer, I would not see as interference. I am going to make you an internationalist, Leanne, and say, “Spreading the message”, not least because if all you have is an English Parliament, that is still a big beast, a frighteningly large beast. It has to be something below the English level, which then everyone in the Union might feel comfortable with.

Leanne Wood: Well, again, our preference in Wales is for a “small is beautiful” approach, if you like, and so devolving down to the lowest possible level and having people in communities deciding as much as possible is our favoured model. I think that this is a debate that it would be useful to have in England, but it should be a process and, through that process, other models that suit England better might arise.

Chair: Okay. Thank you, Leanne.

Q301 Fabian Hamilton: Yorkshire is nearly twice as big as Wales in population, so maybe Yorkshire is the lowest level, or lower than that. I wondered which powers, Leanne, you thought it was most important to transfer from Westminster to Cardiff.

Leanne Wood: Plaid Cymru has produced a document called “Bring our Government Home”, which is available on the Plaid Cymru website. In there we outline the next steps on our devolution journey. We have been through a number of processes and constitutional commissions in Wales. There is a danger that by having more working parties that there will just be more reports produced and very little action. Indeed, we still are seeing some debate ongoing from the Richard Commission that was set up 10 years ago. We have got the Silk Commission reports in place—the two Silk Commission reports—and the Smith Commission now gives us another direction. We believe that if the whole of the Silk Commission report was implemented, and the lessons from Smith can be transferred to Wales as well, then those are the next steps for Wales.

We also need to look at the financing situation in terms of parity with Scotland, because you will be aware that Wales has been underfunded for quite some time. We want to get to a level playing field, and in order to do that the underfunding needs to be addressed, and then we need to have the tax-raising powers as well, so that we can get to the position where we can stand on our own two feet and end our fiscal dependence, which I think is a vital aim for Wales now.

Q302 Fabian Hamilton: But presumably, as the Welsh nationalist party, wanting complete independence for Wales—I mean, nationhood—you would want all powers to be transferred, wouldn’t you?

Leanne Wood: Yes, of course. Sorry, I thought you were asking about the next stage.

Q303 Fabian Hamilton: No, I was; but that must be your ultimate aim, given your party.

Do you think the current Wales Bill needs to be rethought in the light of the referendum and the proposals for further devolution from Scotland?

Leanne Wood: Yes, I do. I don't think the current Wales Bill goes far enough. The agreement between the party leaders is an attempt to move that agenda, and we are still waiting, and hoping, that all parties will agree that that is something worth pursuing.

Q304 Fabian Hamilton: The Welsh Assembly recently agreed a motion on the future of devolution for Wales. What do you see as the next step in taking that motion forward?

Leanne Wood: I am waiting to see what the response of the UK Government is to that. The debate is still ongoing. Clearly, we have signed up to that agreement, even though we want to go much further. We want to maximise the opportunity for Wales here, but seeking agreement with the other three parties is always going to be a challenge for us, in terms of trying to find a place where we can all meet. There is a danger of pursuing the lowest common denominator through that approach. We will remain open to see what we can achieve through that process, but we are also aware that there are forces seeking to dilute the potential of four party leaders coming together on this.

Q305 Fabian Hamilton: Presumably, even step that is taken towards devolution is a step towards your ultimate goal.

Leanne Wood: That is correct, which is why we are participating in the process.

Q306 Chair: Just to play devil's advocate, every step taken towards devolution may undermine your final goal, in that people may say, "We have, actually, all the things that we want to do. Why would we want separation?" Do you worry about that, Leanne?

Leanne Wood: No, I don't, because the evidence from polling suggests that people in Wales, at every stage, have been ahead of politicians, and the push is for greater autonomy all the time. So I don't see that as a danger and I think, looking at Scotland, that it has shown that once the appetite for greater autonomy gets the people engaged, that push can gather even greater momentum.

Q307 Paul Flynn: I think we are all reeling slightly from the referendum campaign and result, and still puzzling over why those who lost are triumphant and those who won are despondent. You have anticipated many of our questions on this, but it is not beyond the bounds of possibility that we could be faced in May with the possibility of a coalition between Labour and the nationalist parties in Wales and Scotland. Have you worked out this dream scenario, and what would be your conditions for joining such a coalition?

Leanne Wood: I'm not going to divulge to you now—

Paul Flynn: Oh, come on. You're among friends. It won't go beyond this room, you know that.

Leanne Wood: I'm not going to divulge to you now any detailed programme in such an eventuality, but you are right that we could well be facing a hung Parliament scenario and that the combined votes of MPs from the SNP, Plaid Cymru and the Greens could be significant in holding the balance of power. Clearly, this agenda of rebalancing power and wealth will be a key aspect of any joint work. Watch this space for further announcements on that front.

Q308 Paul Flynn: Following what you said about fairer distribution of funds across the UK, what do you regard as an ideal solution?

Leanne Wood: Plaid Cymru has put forward proposals for parity with Scotland. Parity of funding with Scotland per head of the population in relation to England would mean an additional £1.2 billion a year coming to Wales in the Welsh block grant. Our argument is: how can that not be justified? I know it is a large sum of money, but given our long-term underfunding situation and the fact that Wales has suffered more from austerity, the argument is there for that. I can't see any argument for treating Wales on a different basis from Scotland in that regard.

Q309 Paul Flynn: It's all based on needs-based funding. Is that how you would approach it and justify it?

Leanne Wood: Well, in the Holtham report, he showed—let me get the figures. He showed that Scotland was funded over and above. The Holtham Commission estimated that Scotland's needs at the time of its second report were 105% relative to the needs of England, and Scotland's actual receipt of funding of £30 billion suggested that the country was overfunded by £4 billion and was receiving 121% of England's expenditure per head for the corresponding set of devolved services. The Commission estimated that Wales was receiving 112% of the England level, and that was a block grant of £15 billion. The equivalent base in England is £15 billion, and that is 1.12, which equals £13.39 billion. If Wales received the same as Scotland, which is 121% of the equivalent England base number, we would receive £16.2 billion, which is the £13.39 billion multiplied by the 1.21, which is £1.2 billion more than the sum we receive now. Those figures take fully into account the different range of competencies devolved to Scotland and to Wales.

Q310 Paul Flynn: The two changes have been the vow that was made and the Smith Commission. The vow wasn't made to the people of Wales; it was made to the people of Scotland.

Leanne Wood: Well, the vow has locked in the Barnett formula advantage for Scotland, but it has also locked in the Barnett formula disadvantage for Wales, which is why we argue that that vow now changes the whole game in a sense.

Q311 Paul Flynn: And the Smith Commission—how do you react to that?

Leanne Wood: Well, my view is that the Smith Commission has not met the vow. It is still being debated in Scotland, but there are implications of the Smith Commission for Wales in terms of powers. There are going to be additional powers granted, and we need to make sure that in terms of parity Wales is treated on the same basis.

Q312 Paul Flynn: The Chairman of the Committee has been carrying the torch for a constitutional convention—sometimes rather a lonely role—but we have had support from Wales from Carwyn and yourself. Do you believe this is the right time to have a constitutional convention?

Leanne Wood: We've been prepared to engage with other parties and civic society on a range of issues, and would again in the future, but I would issue a word of caution on this question of a constitutional convention, because if the aim of creating another body to look at the constitution is an attempt to kick this question off into the long grass, that would be unsatisfactory.

I would like to see Wales develop a Welsh constitution and, as part of the process of the next steps to Welsh self-government, I would like to see a process whereby the citizens of Wales are able to be involved in shaping that constitution as much as possible, because that potentially creates an opportunity for us to do something similar to what has happened in Scotland, in terms of getting people to the point where they can engage, not just about the kind of competences and powers that should be devolved, but about the kind of society that we want to live in in Wales. That is where politics gets exciting again.

Q313 Paul Flynn: This Committee has been supporting a constitutional convention for a long time, from before the referendum. The whole rhythm has changed—everything has changed in the way that the process seems to be accelerating now. So are you suggesting that perhaps the convention could be a brake on the process and that there should be a speedier way forward?

Leanne Wood: We have put forward in this document an upgraded JMC, if you like, so that could potentially be a vehicle for looking at further powers. That could also be a place for resolving any differences of opinion between the Governments in the UK as well.

Q314 Paul Flynn: How would you organise a convention? You say you want to involve more people in it. We have had so many of these over the years, and we end up with monstrosities like LCOs that we fought and struggled with for a long time.

Leanne Wood: We didn't involve the people in arriving at the process of LCOs at all.

Q315 Paul Flynn: I can't ever remember seeing people marching down the street, saying "LCOs for the people!", or "We want LCOs!" It wasn't an aim, but it was the result of a political compromise. As we know, with the forces that are involved in this, we move two steps forward and one step back for various reasons. Could you give us an idea of what you think now? Is it a convention? Is it a speedier process—something more direct?

Leanne Wood: Well, I think you have the potential for the JMC to look at the position across the whole of the UK, and then for Wales, I would like to see us develop our own written constitution with maximum citizen involvement. There have been models internationally in other countries. I draw your attention to the crowd-sourced constitutional development in Iceland, for example, which is something that we could look at modelling here in Wales to develop our own constitution in that way. It could potentially be a good way of getting people to participate in the process.

Q316 Paul Flynn: I am sure the Icelandic decision was very much influenced by the Celtic blood, when they did their investigation into their roots and found that something like 70% of their population were descended from the good-looking Welsh and Irish women that they stole and took back to Iceland many years ago. I am sure there is a relationship between us and Iceland.

Leanne Wood: Quite possibly, but you will be well aware of Plaid Cymru's civic nationalist approach to these matters, so bloodlines are of little relevance in this debate.

Paul Flynn: Okay.

Q317 Chair: Leanne, you said that you did not think Smith met the vow. In what respects did the package not meet the vow?

Leanne Wood: Well, I think expectations for home rule among the Scottish people were not met. I think 70% of tax and 80% of welfare decisions will remain at Westminster following the implementation of Smith, and I would argue that therefore that does not go near the definition of home rule.

Q318 Chair: Right. Currently, Wales has an offer from the Prime Minister, Deputy Prime Minister and the Secretary of State for Wales of some income tax assignment. Do you support that?

Leanne Wood: Yes. I think it is an anomaly for the Welsh Government not to have any tax-raising powers and responsibility for raising the money that they spend, and that anomaly does need to be dealt with.

Q319 Chair: I don't know what the numbers were, but the original Scottish income tax assignment was 10p, I think, in the pound. I am not sure whether that was the offer to Wales, but do you now want to revisit that? Of course, the offer to Scotland in the Smith package is 100% of income tax.

Leanne Wood: We want to see tax sharing powers in the short term, because we have the issue of needing to level up the playing field. The question for us now in Wales is, I think, around a referendum. Given that some tax powers will, in all likelihood, now be offered to some of the English regions without the need for a referendum, we would argue that that changes the picture for Wales and that tax powers should be able to be triggered by the representatives of the people of Wales via this institution.

Q320 Chair: I have to say that I would be delighted if that was an offer to either the English councils or the English regions. I think that you are probably more bullish on that than the Westminster Government.

Leanne Wood: Let's wait and see.

Q321 Chair: That would be helpful from an English point of view, as a devolver for England.

Leanne, an issue that often gets raised in Scotland and which some colleagues in Wales have raised with me is that if we have genuine devolution, we do not want to recreate Whitehall in Holyrood or in the Senedd in Cardiff, and that this really has to go further. There is certainly a strong argument that I hear a lot—it may not be true, but I do hear it a lot—that Holyrood has sucked up powers from local government. What is your view on the idea that if you want genuine devolution, you have to have double devolution and have the rights of local government very clearly written out so that they cannot be sucked up by any national or federal level within the United Kingdom?

Leanne Wood: I support the principle of subsidiarity. There is a role for local government and, indeed, community councils to be much stronger. In terms of the governance of Wales, we should look at local government in conjunction with the way that we organise the health service, our economic development regions and so on. I do not think that you can look at local government in isolation from those other areas of governance. Plaid Cymru has been very clear that we do not want to replicate the situation whereby the capital of the country overheats to the detriment of the peripheral areas. We want to create a Wales that works for everyone.

Q322 Chair: Would you go as far as entrenching the rights of local government so that they are outwith the jurisdiction of either the Senedd or Whitehall? Local government would then know exactly where it stood as an equal partner with national Government, and you would have two organisations doing deals and making arrangements rather than one being dominant and the other being a supplicant.

Leanne Wood: I would like to see greater equality, but there would definitely need to be ways of making sure that they work together. Even the situation that we have now does not allow for that in many cases. Often, Government and local government are working to different priorities, for example, which just leads to disjointed government.

Q323 Chair: I have heard you say that you believe in a written constitution for Wales. Do you believe in a written constitution for the United Kingdom? We obviously accept your goal of wanting an independent Wales, but do you accept that there could be, for example, a constitution for Wales itself within a federal framework?

Leanne Wood: I would welcome any steps that clarify constitutional competence and processes. But before we consider a UK-wide constitution, I would argue that the adoption of a reserved powers model or a shared powers model would be essential. That would provide clarity and would bring an end to these constant Supreme Court referrals that the Welsh Government have faced. Plaid Cymru, as I have already said, wants to see a written constitution for Wales; that is our top priority.

Q324 Paul Flynn: Could I come in here? I think that we have all felt very unhappy about the fact that Wales seems to be ruled by judges, in the way that there are constant referrals to them. I am sure that we all accept that in the movement towards devolution, the public have been ahead of the politicians, but a recent report showed that enthusiasm for independence itself had gone down to a low level. Do you think that was affected by the campaign by the Government and, particularly, by the *Daily Mail* with their war on Wales in which they have exaggerated the weaknesses of the Welsh health service, presumably to disguise the failure in the English health service? For four days running, the *Daily Mail* had a front page on the Welsh NHS, which could not be justified at all on news values. It was certainly part of a political campaign. Do you think that kind of propaganda is having an effect on Welsh opinion?

Leanne Wood: I don't, to be honest. I think that the poll that you referred to was flawed. There has been some analysis by political commentators outlining why that poll should be discarded. I see that the polls show that people's support for further powers is growing at every opportunity. I agree with you about the campaign on the front page of the *Daily Mail*; it is not helpful to anybody for the NHS to be used as a political football, but it does not seem to have dampened people's ambitions for greater autonomy for Wales.

Paul Flynn: Diolch.

Q325 Chair: Leanne, is there anything left unsaid or anything else you would like to put on the record?

Leanne Wood: No, I think I've covered everything that I wanted to say.

Chair: Great. Lovely to see you again, thank you for your hospitality and we look forward to seeing you on another occasion.

Leanne Wood: Thank you, and good luck with your deliberations.

Chair: Thank you. I think we will probably be reporting towards the end of January.

Examination of Witness

Witness: **Kirsty Williams AM**, Leader, Welsh Liberal Democrats, gave evidence.

Chair: Kirsty, welcome. Thank you for coming to the Committee.

Kirsty Williams: My pleasure. Thank you for coming to the Assembly.

Q326 Chair: It's a real pleasure to come here and talk to everyone, and we are talking to all party leaders this morning. Essentially, we are here because the Government are talking about devolution through William Hague's Cabinet Committee. However, that really only seems to be about the English votes for English laws question—the other stuff seems peripheral to them. We are Parliament and mostly separate from Government—we could be more separate, but that's another issue—and my colleagues on the Committee felt it was important that we discussed what we regard as devolution, which goes way wider than English votes for English laws. It involves how there can be a devolved settlement for all the nations of the UK—not just in the Whitehall musical chairs of who sits next to each other on particular votes, but actually addressing the issues of people on the ground and how that might be done on the back of that fantastic surge of democratic interest in Scotland through the referendum. That is why we are here. William Hague's Committee will report before Christmas and we hope to work quite quickly and get our report, covering some of those wider issues, out in January. By that point, we will be in manifesto territory and the run-up to the general election. That is why we are here.

Kirsty, is there anything you would like to say to start us off, or do you want to jump straight into questions?

Kirsty Williams: No, I'll just go straight into questions. I know you haven't got a great deal of time.

Chair: Okay, so Paul, over to you—sorry, to Fabian.

Q327 Fabian Hamilton: We can do a swap if you want.

The referendum on independence for Scotland has created an opportunity for further devolution across the UK to be considered as a matter of urgency, as I am sure you would agree. You have said that many of the proposals in the Smith Commission report would also be appropriate for Wales. What offer of further devolution do you think should be made to Wales? Should it be the same as Scotland? Should it be more?

Kirsty Williams: I think you're absolutely right. The Scottish referendum did create an opportunity, but also a challenge and a potential threat. From my perspective as a Welsh politician, the threat is that Wales will be left behind in this debate. I was very interested, Graham, by your introduction and how you feel that the William Hague Committee has particularly focused on England and that everything else is a side issue. That is a real threat to what we can do here in Wales.

It is important to not simply read across from Scotland to Wales. We have to look at what works in a Welsh context and what powers are needed for Wales. That does not necessarily mean that you should read directly across from Scotland to Wales. We need to look at the particular needs of Wales and of Welsh people. We also have to recognise that the history of devolution in Scotland and Wales is different. From losing a referendum back in the '70s, to just squeaking over the line—a night that Paul and I would remember very well, as we sat in a radio studio together—

Fabian Hamilton: He's already told us this one.

Kirsty Williams: From just squeaking over the line in '97, I think Welsh attitudes towards devolution have indeed changed, but we are coming from a very different past and position from Scotland. However, there are things that are being proposed for Scotland that I would like to see here in Wales. Our basis has to be what has already been discussed, consulted on, digested and tested, which is Silk 1 and Silk 2. We have got a very strong platform, represented by all political parties and people of no political party at all, in that Commission. That, for me, is the basis of where we need to start and focus our attention now. Get that done and then we can look further as to what the next steps are. I suggest that that could be done as part of a wider constitutional convention.

Q328 Fabian Hamilton: Do you think the current Wales Bill needs to be rethought in the light of the referendum and the proposals for further devolution to Scotland?

Kirsty Williams: Well, I can understand Westminster colleagues' nervousness about chucking—"chucking" is a very inelegant word—or putting more things into the Wales Bill that might jeopardise that legislative opportunity. I very much welcome proposals around the lockstep; it was always nonsensical. That is a positive development. You will be aware that the Assembly, on a cross-party basis, has debated and passed a motion. I hope the Westminster Government take due cognisance of that. I am pleased to hear, from a relatively new Secretary of State for Wales, his commitment to publish proposals by 1 March as a basis on which to go forward. I hope he will use that opportunity fully to implement Silk 1—the bits that are still not sorted—as well as Silk 2 proposals.

Q329 Fabian Hamilton: I understand that the Welsh Assembly recently agreed a motion on the future of devolution for Wales. What do you see as the next step for taking that motion forward?

Kirsty Williams: I was one of the people who was very keen to get that motion passed, because I believe Wales's voice is best heard when we can speak with one voice. There are opponents of devolution, not just in one political party. There are people from a variety of parties who do not want to see further powers coming here. I thought it was really important that we had an opportunity

to speak with one voice and to be clear in the expectations and the ask that we were making to Westminster.

It's all very well saying, "We want extra powers," but not actually articulating what we want them to be. Therefore, I hope that the Westminster Government, whether via William Hague's sub-committee or the Secretary of State promising legislative proposals before 1 March, will take due cognisance of the content of that motion and act on it. We will see work being done on re-evaluation of the funding issues. I would like to see movement on embedding a Barnett floor, as well as legislative proposals that will look to implement Silk 2, which is the non-financial step: police, energy consents and such issues.

Paul Flynn: We both recall vividly that unforgettable night of political bonding that took place.

Kirsty Williams: It was a great night.

Q330 Paul Flynn: Yes, it was. Do you think that experience of unity among the parties continues in a way that it perhaps does not in England or Scotland?

Kirsty Williams: I'm always slightly bemused by how surprised Westminster politicians are about the ability of politicians in Wales to agree on a cross-party basis and find proposals. For instance, there was a great deal of scepticism that we would be able to agree the terms of reference for the Silk proposals, but we were able to turn that round in Wales in a relatively short period.

Of course there are differences—they range from people who are perhaps more sceptical about devolution, through to those in the Welsh Liberal Democrats who believe in the concept of home rule, through to a nationalist party that wants independence—but there are things we can agree on. Where we can build that consensus and put pressure on Westminster to deliver it, we should and we can.

Q331 Paul Flynn: We got through this tortured process of LCOs and some other nonsense. It has been like walking through mud. Suddenly the whole rhythm has changed and we are accelerating towards major changes at a breakneck pace. On the vow that was made to Scotland, how do you see a fairer distribution of funds between the two? There was no promise made to Wales in the vow. What do you see coming out of this? A needs-based funding for Wales perhaps?

Kirsty Williams: I do not underestimate how difficult it is to revise the funding formula for the nations and regions. I believe fundamentally that the current funding formula is unfair to Wales and needs to be addressed. My preference would be for a complete overhaul of funding of nations and regions within England.

It is not only unfair to Wales; I would argue that it is unfair to parts of England such as the south-west, the north-east, the north-west. I would look to have a fair funding formula for all. If I am honest, Paul, the vow makes that really difficult. It was naive if anybody thought that you could make that vow and that people in England and Wales would sit back and say, "That's fine. Have the powers that you want; continue with the funding formula that you want. That's fine and we'll keep supporting that." It is very difficult to do in that context.

So what do we need to do for Wales? We need to re-evaluate what the funding gap is, because there will have been changes over the past four and a half years. We need very urgently to establish the principle of a floor, so that when public expenditure starts to rise again—who knows when that

will be, but we are all hoping for it—we will not see the convergence that we saw in the 10 years before the past four years, if you discount those past four years, so that we have a stable basis for the future. My party has talked about Barnett-plus as a way of solving the problem: a bilateral deal between the Welsh Government and the Treasury.

Q332 Paul Flynn: How do you see the Smith Commission changing things from the way that the progress of devolution was going before Smith made the statement?

Kirsty Williams: I don't know. The issue is that the vow on not touching Barnett has made a difficult political problem even more difficult to solve. I am absolutely clear that, having made those promises to people in Scotland, they have to be abided by; it would be unthinkable for that not to happen. The Smith Commission is moving things at a pace, and the danger for us is that we are left behind and do not have the opportunity for a broader discussion. That is why I focus very much on Silk 1 and Silk 2, where we have had an opportunity previously to explore those areas; people have had an opportunity to be consulted. Therefore, I would like to see rapid implementation of Silk 1 and Silk 2, moving towards a constitutional convention that would look at some of the broader issues and, I hope, move us to a situation in which we can have a more settled devolution.

Part of the problem and the frustration for the public is that we are spending what I am sure they would regard as an inordinate amount of time discussing these issues when they want us to be discussing how their sons and daughters can get a job, how they can get a roof over their heads, whether their children go to a decent school and whether, if their elderly relative goes to hospital, they will be treated with dignity and respect. A constitutional convention would be a broader discussion of the future relationship between the nations. We need a more settled constitution—written, in my opinion. Therefore, we could put these debates to one side and focus on what people really want us to focus on: the bread and butter of providing opportunity.

Paul Flynn: You have anticipated my next question.

Kirsty Williams: Sorry.

Q333 Paul Flynn: No, that is fine. There has been a strange change in Ireland since the Queen put on a green frock and stood in penitence in Croke Park. A remarkable change has taken place. It is not going to get rid of a couple of centuries of antagonism, but should the Republic of Ireland be involved in such a constitutional convention?

Kirsty Williams: I know that the Queen's statements in Croke Park were the subject of "Thought for the Day" yesterday on Radio 4, urging us all to reflect on past wrongs and on how you move forward in reconciliation. If I am honest, I think that that is for other people to decide. I am not and would not claim to be an expert on what are even more complicated politics—the politics of Ireland. I am clear that those kinds of issues could only be part of a constitutional convention, rather than a bilateral discussion. That would be for the people to decide.

Paul Flynn: That is a refreshing confession. It is our job as politicians to be an expert on everything, or at least to pretend to be. I am afraid that we walk on eggshells. I appreciate your answers; thank you very much Kirsty.

Q334 Chair: Kirsty, you talked about a written constitution. I presume you mean for the UK.

Kirsty Williams: For the UK, as a result of a constitutional convention and a more settled, sustainable arrangement and relationship between the nation states.

Q335 Chair: And that would include a federal level, with four constituent nations, presumably.

Kirsty Williams: Yes.

Q336 Chair: The Scottish Executive have produced a draft constitution for Scotland. Do you think that four national constitutions could coexist comfortably in a federal constitution?

Kirsty Williams: I don't see why that would not be possible. I think it would be important to move to a codified relationship which makes it very clear what the relationships are and where power lies. One of the most frustrating things we have seen in recent years in Welsh devolution, since the last referendum and law-making powers coming here, is that there is still a huge lack of clarity and a huge amount of confusion about power lies.

That is why legislation ends up in the Supreme Court: not, I believe, because of any malice on the part of the Westminster Government, but because of a genuine desire to try and find out where the boundaries of devolution lie. That is why I believe it is really important that we move to a system based on a reserved powers model in Wales, so that we can be much more clear about these things. That might also be helpful in addressing the issue of what constitutes England-only legislation, because what maybe appears to some people to be England-only actually has consequences for Wales. That is important.

What is also important, in terms of where power lies—this is one of the things that has come out Smith—is the issue of sovereignty. For Wales, I would like to see what has come forward in Smith to address the fact that, actually, this place could be abolished by Parliament, if it wished to do so, without reference to the Welsh people. We have no control over our own electoral arrangements.

I would also like to see the idea of where power lies under devolution turned on its head and an assumption that power lies here, in this sovereign body, unless there is a very good reason why that power should be offered up, to a national or federal system, rather than what we have at the moment, where we seem constantly to be trying desperately to persuade Whitehall Departments to drag things down. From my perspective, the assumption should be that power would lie in Northern Ireland, Scotland and Wales—and in England—unless there was a specific offering up and a reason why that power should be held at a federal level. I am just trying to change the mindset around.

Q337 Fabian Hamilton: So does that mean that we should effectively have a slow transformation to a federal Government for the United Kingdom? Would that be your ideal?

Kirsty Williams: Well, I am a Liberal Democrat, so yes. That is what I would believe in.

Q338 Chair: Kirsty, you feel you are fighting to get powers away from Whitehall—and I have say immediately that I feel exactly the same, and I represent Nottingham.

Kirsty Williams: I think it's really important to remember that my colleagues in the south-west feel exactly the same. If I was a citizen of the north-east or Nottingham—I studied in Manchester and I

went on holiday this summer to Northumberland, and people in those areas feel exactly the same. Westminster is as broken to them as it is to us.

Fabian Hamilton: Independence for Yorkshire?

Kirsty Williams: Well, we've got to find a way of devolving power out for everybody, not just Wales. Obviously my job is to worry about Wales, but I see this in the context of wanting to empower people in other areas, who are as frustrated, I suspect, with Whitehall holding power as I am.

Q339 Chair: Absolutely. Now, I am going to take you further down the hierarchy of governance, if you will bear with me. We might say, "Yes, let's bring powers away from Whitehall; let's get them to Scotland, Northern Ireland and Wales." However, I hear some voices saying that we then recreate Whitehall, but in Cardiff, Edinburgh, Belfast or wherever—and that, possibly even in some of these deals that are happening at the moment in the big English cities, we are recreating Whitehall in town hall. What is your view about that?

One of the things that the Committee has toyed with, over some time now, is having constitutionally defined and entrenched local government, so that local government in Wales, England, Scotland or Northern Ireland could say to the Senedd or the Scottish Parliament, "Sorry, mate. You can't tell us what to do on this particular defined set of issues, because we are an equal to you and an equal to Whitehall. These are the things that are defined; they are protected." Actually, you then have subsidiarity. What do you think about that as a concept, Kirsty?

Kirsty Williams: I represent a big chunk of mid-Wales and, for many of my constituents, Cardiff is as remote as Westminster ever was. They feel that Cardiff really does not understand their issues and does not pay them the attention they feel they deserve, and that it is equally frustrating to get their voices heard and action in their community out of Cardiff as it ever was out of Westminster. I spoke about this recently at my party conference. You have a village, and the people in the village and the town council in the village want to drop the speed limits. There is a consensus that that is what they want to do, but they can't. They are faced with massive bureaucracy when trying to persuade the Welsh Government to drop the speed limit in the village where they live on a daily basis, where they are in fear for their children's lives and where there are crashes on a regular basis. Why should they not be empowered to make those kinds of decision?

That has been a failing of devolution over the last 15 years. It has solely been a transfer of power from Westminster to Cardiff. I think that there have been some very centralising tendencies in some of the Administrations we have had here in Cardiff. What we have seen is actually the taking away of powers from communities to be able to reflect local citizens' needs and respond to them. There is an opportunity to have a debate about what councils do. You will be aware of the Williams Commission and the whole debate about what local government is going to look like in Wales. They really missed a trick there, because it essentially became an exercise in where the lines on the map were drawn.

You cannot draw the lines on the map until you have a clear idea in your mind about what you want local government to do. Form follows function. Once you have decided and said, "This is the preserve of local government. This is what we expect them to do. This is where power lies," you can then draw the lines on the map. That is what is missing in Wales at the moment. It has become solely a debate about how big these things are, supposedly as an agent of change—this is apparently the answer to all our problems in public sector services: you simply change the lines on the map, make them bigger and it will all be fine. That is delusional.

We need to have a debate here in Wales about what we want the role of councils to be, and not just county councils—unitary authorities—but also town and community councils, which I am a huge fan of. When I look at my own constituency, I see town and community councils doing amazing things on behalf of their citizens, in the absence of the county council, pulling out and saying, “We’re not doing that any more.” They are doing amazing stuff, so we need to have that debate too.

Q340 Chair: So you could have a situation where the federal level says to all the nations of the Union, including England, that local government shall enjoy parity of esteem, be an equal partner and have protected rights. The federal Government could then defend local government against a national institution in Wales, Scotland, England or Northern Ireland and—to Cardiff, in this instance—say, “I’m afraid that what you’re doing is ultra vires. It is unconstitutional. You can’t tell this small council that it wants double yellow lines on the high street. It is not within your gift to do that.” You could have a federal Government that was actually aiding devolution rather than being part of the problem around over-centralisation.

Kirsty Williams: I have not thought about it in that context, and I would like to think about it further. The principle of making devolution not just about Cardiff, Edinburgh and Belfast is one that I am committed to and that we need to make happen. That would seem to be one way in which you could protect the rights of those levels of Government. That is in danger of being left out in this debate, because it is all about the Welsh Government, National Assembly for Wales, Scottish Government and Scottish Parliament, and not about governance in the whole. What we need to do is look at governance in the whole. That could well be part of what a constitutional convention looks at.

Q341 Chair: I have one last question for you, about income tax assignment, before we ask Andrew to come into the hot seat. Currently in Scotland, the Scotland Act 2012 gives Scotland the ability to retain the product of 10p of income tax—that is going to go to 100% of income tax, but let us stick with what we have got right now. I understand that something of that sort is on offer to Wales from the Prime Minister, the Deputy Prime Minister and the Secretary of State for Wales. Is that something that you think will happen in the very near future? As a number, do you think that that may well increase and that Wales might feel it more appropriate to get an ever-larger percentage of income tax assigned to it—instead of the block grant from Whitehall, to spend the product of income tax?

Kirsty Williams: First of all, as a basic principle, it is a product of the old LCO system and the timidity of what was offered to Wales that we find ourselves in the position—I think we must be unique in the world—where we have no ability and no responsibility for raising some of the money that we actually spend. I think that is bad for democracy. It is really, really bad for democracy and, in some ways, gives Welsh Government no incentive—your economic development policies can be brilliant or dire, but there are no consequences for you, because you will just get your handout, so you do not enjoy the benefits of your success and neither are you held accountable for your failures. The principle of having some tax-varying powers is absolutely the right one.

My goodness me, more than 10p! We have not even got that far yet. As you will be aware, the current proposals mean that we have to go through a referendum of people in Wales. I really wonder whether that is necessary. Especially if all political parties had it in their manifestos in May and people were elected on the basis of that, one wonders whether we really need to go through a referendum again. If the referendum stays, then I will enthusiastically support a yes campaign as I did in 1997 and last time, because it is vitally important that we have those abilities here in Wales. I suspect that if we get to a position where we have those limited powers, potentially demand will grow.

Those are not the only things that we need to look at in terms of limitations. For instance, the borrowing powers that are on offer are quite limited. The Westminster Government should look again at the issue around the level of borrowing powers. That is important; but yes, the principle of having the ability to vary a proportion of income tax here in Wales, and to keep that here in Wales, is absolutely the right one.

Q342 Chair: Kirsty, thank you very much. We have Andrew waiting, but is there anything that you would like to add, that you think we have missed?

Kirsty Williams: No, I don't think so.

Chair: If there is, do drop us a line.

Kirsty Williams: I will. Thank you very much for taking the trouble to come. It is very nice to see you here.

Chair: Thank you for taking the time to come and see us.

Examination of Witness

Witness: **Andrew R. T. Davies AM**, Leader, Welsh Conservative Party, gave evidence.

Q343 Chair: Welcome. Andrew, we are visiting in order to pick your brains on devolution. Mr Hague has got his Cabinet Committee looking at devolution, but I suspect from the advance publicity that that is going to be more about English votes for English laws, and some of the other issues might not be in focus, as it tends to be on that particular one. As a parliamentary Committee, obviously separate from what Government are doing, we are keen to look at the broader range of issues around devolution, in particular in the light of the Scottish referendum, and at how you see the situation in Wales, where you see devolution going, if you think there are impacts and wash-overs to England, and what the influence of the Smith package might be in Wales. So we are just here to say hello and to see you what you think. We hope to produce a report towards the end of January, to make a contribution to the manifesto-making debates and the general election.

Is there anything you want to say to kick us off, or shall we go straight to questions?

Andrew R. T. Davies: No, I think we will go straight into questions. Thank you very much for the kind invitation to come before you today.

Chair: You are always welcome.

Q344 Fabian Hamilton: Morning, Andrew. Nice to see you here. The referendum on independence for Scotland has created an opportunity, I think, for further devolution measures across the United Kingdom to be considered as a matter of urgency, as you know. You said that the Welsh Conservatives "remain open-minded about the future of devolution for Wales." I wonder what, if any, further powers you would like to see devolved to Wales.

Andrew R. T. Davies: Well, I think in Wales we have had a different process over the last three to four years. Obviously, the referendum seems to have dominated UK thinking over the journey of devolution and how, maybe, it should proceed in the future. We have had the Silk Commission, which has done two very comprehensive pieces of work, in fairness: one on financial responsibilities and the other on future constitutional change and powers. So I think we are further down the road, because we have these two very important pieces of work before us.

We still await, obviously, the UK Government's response to Silk 2, which I think has got caught up in all the constitutional debates and discussions that have emanated out of the referendum. But on financial powers, I think we have the model that all parties have agreed to. There was a slight discussion, shall we say, over the method of income tax and some of the measures that would be attached to any transfer of powers over income tax, but I think the clarity has come through this autumn as to exactly what the UK Government are talking about. I do not find any disagreement among any of the political parties here on the financial responsibilities. There is a debate and discussion about whether that transfer needs to be done by a referendum and I think, obviously, that will be indicated in party manifestos—whether we will need a referendum or, if parties form a Government after May, whether they will bother to do it and will just have it in the manifesto or not.

I think it is wrong just to have an automatic read-across, saying, just because Scotland are having something, “Oh, well, Wales will do it.” We are a separate part, but a very proud part, of the United Kingdom and we have distinct and different needs from those of Scotland.

Q345 Fabian Hamilton: That is very interesting. Thanks for that. Do you think the current Wales Bill needs to be re-thought in the light of the referendum and the proposals for further devolution in Scotland?

Andrew R. T. Davies: I think it is important to capture what we have in the Wales Bill, and given the tight parliamentary timetable that Westminster is operating to at the moment, and given the fixed-term Parliament and that we know that there is going to be an election in May—we know that Parliament will break up on 31 March—I think it would be wrong to tinker extensively with that Bill. However, where possible, there are areas where simple amendments could be put down that I would hope could incorporate some modest changes. I think, on the whole, the Wales Bill that is going through at the moment does offer real opportunity for the legislature here, and the Government as well that flows from the legislature, to actually make a real difference with the enhanced powers that will flow from the Wales Bill.

Q346 Fabian Hamilton: The National Assembly, I believe, recently agreed a motion on the future of devolution for Wales. What do you see as the next steps for taking forward that resolution?

Andrew R. T. Davies: I think it is important to reflect on that notion that went through the Assembly here, endorsed by all four political parties in the Assembly. I would not want anyone to think that it was a cosy political consensus. Most probably, people don't use the word “cosy” when they describe myself. It was a seriously thought through response to the constitutional discussions that are going on, highlighting some of the common ground that we share as political parties here in Wales, on what we think will be a sensible road to enhance the responsibilities of this institution and the capacity of the Welsh Government that flows out of the institution. I think that is a very mature way of doing it, and I welcome that cross-party arrangement that we have here in Wales.

It is very difficult, but since I assumed the leadership of the Conservatives here, back in July 2011, I am always struck by the difference in the working relationship we have here in Cardiff. Again, it is worth reiterating that is not to mask some sort of cosy political establishment working together, but it is a common-sense way of approaching some of the issues we face. When you go up to Westminster and you try and have the discussions there, across the political parties, you find difficulty in trying to build that consensus in the Westminster environment. I think that does hold back some of the more sensible constitutional changes that would actually put Britain, and the UK, on a constitutional footing for the 21st century.

Q347 Fabian Hamilton: It certainly does. Do you think there is a need to look for a fairer solution to the distribution of funds across the UK? How do you think that would look, if we did that?

Andrew R. T. Davies: Well, as a Welsh politician I am never going to say no to additional resources coming into Wales, and I will fight tooth and nail to try and secure additional resources into Wales. Likewise, I am sure Members of Parliament for the north-east of England, the south-west of England, Scottish or Northern Irish MPs would do exactly the same when they are making their case to Treasury and to political colleagues; because very often it is not your political opponents you are trying to convince. It is the people within your own party, to get the majority vote—it is, isn't it? Because ultimately everything boils down to the individual constituencies that you represent, and the ticket you can take home and wave, and say "This is what I have achieved for the men and women who have voted for me."

So I think in simplistic terms it would always be good to get more resources, but I think what we have got to do, here in Wales, is actually create a capacity for the economy itself, here in Wales, to generate more wealth. If I look at objective 1 and convergence funding, for example, which were the two big European programmes that were supposed to enhance economic activity in our most deprived areas and increase prosperity, actually the Welsh Government, in various forms since 1999, has spent nearly £3 billion, or just over £3 billion, in those communities, and that has actually decreased economic activity in those areas.

So it is not as simplistic as just saying "We want more money." It is actually about building capacity and building a strong and resilient Welsh economy that can generate more wealth for itself. Because if you are going to create more devolution, you have to create a bigger capacity in the component parts of the devolved United Kingdom to actually stand up on their own two feet and be more responsible.

Q348 Fabian Hamilton: We had objective 1 and objective 2 funding in Yorkshire, and I guess economic activity has decreased since 2008, but the infrastructure that those objective 1 and 2 funds created was invaluable to giving the preconditions, if you like, for further economic activity. What I am trying to imply is: is that investment of European funds directly related to the decrease in economic activity, or is it actually the recession itself that damaged the economic activity, entirely unrelated to the investment?

Andrew R. T. Davies: I think a lot of independent analysis of the way the money was spent was clearly pointing to, certainly in the first tranche, many missed opportunities; and there was precious little capacity building. There was much social engineering going on with that money, but there was precious little economic capacity being built; and, in fairness, I think many of the people who were making the decisions at the time recognise that fact as well. We have now got a third tranche coming through—we are possibly digressing a bit from the constitutional point on to convergence funding moneys, but I think it is an important point to remember—it is not just about the

money. Yes, the money helps, but you have to build the capacity, otherwise you will just constantly have handouts and be asking for more.

I have listened to some evidence this morning, and I have heard Paul and Kirsty reminiscing over the 1997 referendum and being in a TV studio. I did not vote in that referendum. I was not a political animal in 1997. I have come from the business world, if you like. I came into politics in 2000 to 2001. I certainly do not want to maintain my life in politics. I very much want to go back to the world that Paul always champions, the agricultural world—I am a strong supporter of farming, because that is my background. Actually, everything I try to do needs to have a benefit attached to it, rather than “I went to university and I thought of this great constitutional argument that I wanted to drive through when I went into politics.”

I can accept the argument, I can accept the debate, but actually what we have got to be doing is looking at making real improvements in people’s lives. While that is a corny sort of political phrase, it is a fact that unless people outside these political institutions feel that benefit, then the disillusionment that we have seen over successive elections, regrettably, will continue.

Q349 Fabian Hamilton: Well, that is what we are all elected to do, across different parties.

A final question for you. Do you think there is still a need, or a case, for needs-based funding in Wales?

Andrew R. T. Davies: Obviously the joint motion that came forward, from all parties, in the first instance talked of making a new assessment as to how big the deficit was between what we receive in Barnett and what our needs would ultimately require, based on what Holtham measured it at back in, I think, 2009. At that time it was about £300 million. Most commentators, both political and independent commentators, believe that has shrunk considerably.

One of the key requirements of the motion is that both Governments actually undertake a piece of work to assess—and this is what I was very keen to get included in the motion—what the level of underfunding is at the moment. And so as I said, from a Welsh political perspective, and as the leader of a Welsh political party, I will always champion trying to secure more revenue from the Treasury, but I would like to see us ourselves closing some of that gap. It clearly does exist, but there is a debate over the size of the gap.

Fabian Hamilton: Thank you very much.

Q350 Paul Flynn: We have seen this great change, after the Scottish referendum, in the pace of devolution. The Conservatives in Wales have been the most reluctant of the devolutionists, but to your credit, attitudes have changed now. How do you see progress in the future? Will it be along the lines of Silk or along the lines of what the Smith Commission has said? Somebody made a strong point, in that we have gone ahead in Wales, amid growing trust and confidence in devolution, with a series of referendums, but as one of our previous witnesses said, “We might be going through this tortuous process in Wales of referendums, whereas others, in other parts of the United Kingdom, might be getting the same advantages without going through that.” Do you think that we ought to make a change as a result of what Smith has said and the Scottish referendum?

Andrew R. T. Davies: I think, Paul, you must be referring to the income tax powers that are already in the gift of the Scottish Parliament and the enhanced powers over income tax that Smith has talked about. There was an important caveat in relation to the original Scottish referendum, albeit that

the ability to vary income tax was very minimal in the scale of what we are talking about today. The question was actually put to the Scottish electorate: do you think that the Scottish Parliament should have an element of income tax varying powers? That question has never been put formally to the Welsh people.

I am open-minded about this myself, to be honest. I am not a huge fan of referendums. I do believe that party manifestos at elections should stand. Ultimately, you vote at an election on what a party has offered you in its contract. As an individual, I am very open-minded about the need for a referendum, but I think that you do have to be mindful that a completely different referendum question was put to the people of Scotland, so there was a level of endorsement back in 1997 that has not been acquired here in Wales because the question has never been asked.

Q351 Paul Flynn: Do you think that there is a case for saying that we need to establish the relationship between the different parts of the United Kingdom in a written constitution?

Andrew R. T. Davies: Again, I am very open-minded about that. I think there is still work to be done to make the case on a specific written constitution, given all the change currently going on. In my previous evidence to this Committee, some 18 months or two years ago, I laboured the point that the elephant in the room is: what does England want to do? And I don't feel I am any further down the road of understanding that now. I go back to my opening remarks about us having Silk 1 and Silk 2 in Wales; there was also the referendum in Scotland; and there seems to be a constant constitutional discussion going on in Northern Ireland. I think it would be very difficult to talk in terms of a written constitution at the moment, given that we don't know the road that England is going to take. Is it going to carry on as it is? Is there going to be an English Parliament just dealing with English issues? Is there going to be regional devolution, which was rejected in the north-east? In my view, that is the big elephant in the room at the moment.

Q352 Paul Flynn: There is this wonderful acronym for English votes for English laws—EVEL. Do you think that EVEL is likely to lead to the break-up of the United Kingdom, in that having been roused, the sleeping giant of English nationalism goes rampaging around the countryside, red in tooth and claw, which is likely to increase the nationalism in the other parts of the United Kingdom and will lead to a slippery slope towards the break-up of the United Kingdom? Isn't that the likely outcome?

Andrew R. T. Davies: No, I am not as pessimistic; I don't take that pessimistic view. I think that if it is handled wrongly, you could create great difficulties, but I talk to many friends around the whole of the United Kingdom and in particular in England, because I'm so close to the south-west, Gloucestershire and that neck of the woods—I appreciate that that is only one part of England—and although we have our banter, ultimately, underneath all the banter, there is a conviction and a commitment that in these small islands of ours, we are better as a United Kingdom. There is an appetite for change, and I think that if that change is not responded to, that will create its own basket of tensions, but ultimately there is a belief and an understanding that the union of the United Kingdom is a vehicle for good within these islands.

Q353 Paul Flynn: But as the Chairman frequently points out, we came within half a million votes of the break-up of the United Kingdom a few months ago. It was an extraordinary event that few of us would have anticipated. You see that process accelerating. We notice how pleased the losers are and how despondent the winners are. The result of the Scottish referendum was extraordinary.

Andrew R. T. Davies: I think it was half a million positive votes, wasn't it? We talk those votes down on the unionist side and let the nationalists have the field of play. Ultimately, nearly half a million more people chose to stay within the Union of the United Kingdom because they could see it was a force for good. Life is about positives. God, don't we as politicians like talking about the negatives?

Let us try to be more positive about this great institution of the United Kingdom. Let us educate the next generation about the force for good it can be. Let us ultimately use it as a vehicle for prosperity within these islands. Let us not use the small nationalistic viewpoint of break-up and separation as a powerful tool for good. It is not. Any country across the world that adopts that road has not enjoyed the fruits that the Union has given this great country of ours.

Paul Flynn: Thank you very much.

Q354 Chair: I would like to move from EVEL to DEVIL: devolved English voices in local government, although it is not just about England. Could you comment, Andrew, on how you see the interaction on devolution between Wales and England? You talked about the elephant in the room. What is your current view on how to make that elephant edible in bite-sized pieces?

Andrew R. T. Davies: The interaction between Wales and England? As I said, since I took on the leadership in July 2011, I have been amazed at how difficult it is to get the Whitehall machine to listen to the message. That is not Government; it is the Whitehall machine I am talking about.

In my view—and I would not have believed it if I had not experienced it—it is a very south-east facing machine that the rest needs to follow. If you look at the economic success of the south-east of England, you would say that for the south-east it has been very good. For other parts of the Union it has not been so good. I would say that a huge amount of capacity building is needed to create a greater understanding of what the modern Wales, Scotland, Northern Ireland and regions and cities of the United Kingdom require in the 21st century from the Whitehall machine.

I believe that the journey the Government are going on at the moment is the correct journey, because they are now driving through real change at a time when that change can be endorsed by a national election in May, rather than midway through a Parliament when it might die of fatigue, or the start of a Parliament and by the time it hit the manifesto stage it would die of fatigue.

I hope that some of the positive rhetoric that is coming out from all the political parties in Whitehall will be included in the manifestos and endorsed, irrespective of what happens at the election. Obviously, I hope that there will be a majority Conservative Government. Then people should act on those pledges. We cannot sit back on our laurels and allow things to stagnate. That would be a betrayal.

Q355 Chair: We came forward with the view that we should have had a constitutional convention before the Scottish referendum. Obviously that was not taken up. The referendum could have been one moment in a constitutional convention process. Other counsels, or lack of counsel, prevailed. Some colleagues have said that a constitutional convention is a way to kick this into the long grass and defer it. Are you saying that we should know by now what the heck it is we want to do? That we should have some idea, which should be in the parties' manifestos coming up in May, giving a sense of the direction we want to go in? We would need to wait at least two years before a constitutional convention reported on all these things.

Andrew R. T. Davies: It definitely needs to be in the manifestos, without a doubt, because otherwise that would be a missed opportunity. These elections come round only every five years—or four years before. It is important that parties take this constitutional pressure seriously and have some thinking in their manifestos. If they do not have that thinking in their manifestos, it shows a void in their ability to grapple with the issues.

I made the point about the Whitehall machine. I will rewind a little bit to say that any Government creates its own machine. I can use the same example here in Cardiff. If I visit Llandudno, Aberystwyth or Carmarthen, it's "those awful people in Cardiff". If you draw a line from any one of those places, Llandudno is only about 140 miles away and the others are 90 and 80 miles away.

There is a responsibility on the politicians to work to make this happen and to be progressive in what they want to do. I believe that once people come into government—this is not a new phenomenon—they want to amass power, because power is the size of the ego. As someone who has come into politics late, I want the smallest Government possible. In my view, Government interferes. It is individuals, businesses, communities, charities—call them what you will—that make the wealth of this country, not just in money terms but in social good and social value. It is not Governments getting in the way and interfering. I am huge believer in trying to reduce the footprint of government across the UK, but particularly here in Wales where we are over-governed. There is no doubt about that.

Q356 Chair: Does it feel any better to be told what to do by someone in your own nation rather than by someone in Whitehall? Does that make it easier when you are told when you have to empty your bins or that you are going to have a double yellow line on the high street?

Andrew R. T. Davies: Well, it would be nice to get local authorities to empty bins in Wales these days, because plenty are talking about going to three or four-week collections.

There is a perception in the wider public, irrespective of where the political institution lies—it could be the parish council, the Parliament in Westminster or Europe, or the Assembly here—that it is those pesky politicians telling us what to do again. I go back to a point that Paul made earlier about endorsement from the public. Regrettably, here in Wales, we have only got up to 44% of the electorate participating in Assembly elections, and I think the lowest was something like 36% or 37%. That is for a primary law-making institution that will deliver what most people would argue are the key public services—health, education, a large swathe of economic development, local government and so on. There is this huge constitutional discussion going on, but there is a big disconnect from the electorate taking the opportunity to go and cross that ballot paper and put it in the box.

Q357 Chair: One of the arguments in favour of income tax assignment is that if people see that their income tax is, say, £500 a month and £100 national insurance, but £250 of that £500 is going to Government and local government in Wales without any changes in the numbers at all, that might suddenly perk them up beyond 36% or 44%. They might say, "We'd better get involved in this and vote, perhaps join a political party or active local group. I hadn't realised that that is the amount of money that currently comes to us in block grant form. Now it is starkly on my wage slip, and I can see the numbers and how much is spent in my nation or locality." Might that be something to get people to take a little more interest in elections and political participation?

Andrew R. T. Davies: I think it is like any statement: follow the money. People are very attached to the money that they earn or that they raise for good causes. If an institution has responsibility for taking some of that money via its tax powers, you will suddenly pay a lot of interest

to what is going on there. An analogy that has been brought up time and again is that, at the moment, we have a Government that functions like a Government, but is, in effect, a spending agency. It has its money, it dishes it out and if it is not enough, it waits until the next block grant comes in and it is the terrible guys and girls in Westminster who have not given us enough in the first place.

I make no apology for the political capital that I have put into ensuring that some element of fiscal responsibility is placed on the Government in this institution. I also make no apology for some of the pronouncements that I have made, from the Conservative position here in Wales, of what we would do with those responsibilities. It is vital that you do not just get the responsibilities, but you outline what you want to do with them. Then the electorate will become engaged. If you follow the money, you will gain the interest.

Q358 Chair: The last question from me, which you probably heard me ask Kirsty, follows on from the conversation we have just had. There is a natural inclination of political power to suck up power to itself. That has happened in spades in Whitehall, where we are treated on an almost imperial basis. At least, that is my feeling in Nottingham, and it has certainly produced great antagonism in Scotland and great irritation in Wales.

Pushing down to an institution in Scotland at Holyrood and in Cardiff at the Senedd makes sense, but do you have a danger of replicating Whitehall in Cardiff and in Edinburgh? Is one of the answers to be really clear about what the rights and responsibilities are of local government to the extent that, as was emerging from the conversation this morning, a federal level could take Cardiff or Edinburgh to task and say, “You are ultra vires; you are going further than our settlement allows by taking powers from local authorities in Wales and using them at the Cardiff level”?

Andrew R. T. Davies: Graham, I heard the example you put to Kirsty a little earlier and I thought it was a very interesting example. I hadn’t looked at it that way before, but it was almost like a supreme court for local government to go to when the national Government—that is, this one in Wales—overrode them, if you like. That is one of the unanswered questions here in Wales. Since devolution, obviously, we have had the Assembly come into being. It has gone into various sizes and shapes, and now we have an Executive in one corner and the legislature in another, but we haven’t had that big discussion about how local government fits into all this. We have almost had the emancipation of local government at unitary level and a greater drive away from responsibilities for town and community councils.

We have 734 town and community councils in Wales, and many of them struggle to have a meaningful role. We have a reorganisation, or a discussion of reorganisation, of local government going on at the moment, but again I believe the Welsh Government has gone about this in the wrong way. They have not asked the question: what do we want our local government to deliver in the future?

There is a strong discussion at the moment about health and social care becoming one entity. I fully support that. There is a strong discussion going on about education being delivered by regional consortiums. Obviously, I would prefer to see directly funded schools. If you take those two pieces away from local government, what are you left with? You are left with a local government structure that most probably better reflects the boroughs that we traditionally had, which ultimately used to deliver some of the basic services such as refuse collection, planning to a degree, and so on.

I think there could, with the right vision, be a really exciting renaissance in local government here in Wales, but what we have had to date and what has emerged now since a lot of the changes is a weak legislature in the Assembly, because we are a very small legislature. We have an Executive

Government coming out of it that is a very strong Government in the context of democracy here. I don't mean by political policy or political direction; I mean by function a very strong Government because it has a huge capacity. We haven't built that capacity in one of the cornerstones of our democracy here in Wales, which is local government both at unitary level—obviously we have a unitary level here—and town and community council level. I think we will miss this opportunity at our peril.

Paul Flynn: Can I just come in?

Chair: Very quickly, Paul.

Q359 Paul Flynn: Would you be in favour of having more Members of the Assembly, because of the criticism you rightly made that there are no Government Back Benchers? You have some important laws to pass. Can you give them the required scrutiny with 60 Members?

Andrew R. T. Davies: Well, I think the obvious answer to that is no, it cannot be done in the context that you put it—not just from the Government's side but from the Opposition's side—by the time you man the Committees and all the rest of it. It is important, and you are a good embodiment of this, Paul, to have active Back Benchers who are not frightened to speak their mind. The best friend anyone can have is a critical friend who offers that genuine insight into good scrutiny and an alternative view. When you have only 60, and you are providing the Government, the Presiding Officer and the Deputy Presiding Officer as well as the Opposition, and you are nurturing the people who vote you back here as well—you have to look after your constituencies and regions—it is very difficult on that very small footprint to develop the independent thinking that gives politics its dynamics.

Q360 Paul Flynn: One of the interesting interpretations of the Scottish vote that was presented to us was that the reason why Scotland voted the way it did was that, as a nation, their personality was such that they would not have sent soldiers to die in Iraq in pursuit of non-existent weapons of mass destruction, they would not have gone into Afghanistan and they would not spent their taxes on the virility symbol of Trident. If that interpretation was right—that they were expressing their character as a nation—that would apply equally to Wales. If we see it as an English fantasy to be the masters of the world and to be punching above our weight militarily, is that not the way forward? Will there not be more pressure, as devolution and demands for independence go on, that we look for independent foreign policy as well?

Andrew R. T. Davies: I disagree with your analogy.

Paul Flynn: It wasn't mine, but someone else's. In fact—

Andrew R. T. Davies: Yes, but the analogy you offered, I disagree with it. Both Scotland and Wales have had very proud military traditions, and that is shown by how we are over our quota, if you take population and the number of people who sign up to our armed services from here in Wales and in Scotland. We have a very proud tradition. The policy decisions that the politicians make in deploying those forces obviously is an issue that is resolved periodically at the ballot box, where the electorate in its entirety has a view, expresses that view and, if that policy has been correct and executed correctly, the Government will retain confidence; if the Government do not, they will be out of office.

Q361 Paul Flynn: There is a view that Afghanistan was the lion's last roar. Punching above our weight militarily means dying beyond our responsibilities.

Andrew R. T. Davies: I am far more optimistic about the future than you are, Paul. I am an eternal optimist, because I am a Conservative in Wales.

Paul Flynn: I welcome this evolution from a non-voter to an enthusiast.

Q362 Chair: Andrew, thank you very much for your time. Is there anything left unsaid?

Andrew R. T. Davies: No. Thank you very much for your kind questioning today and for your hospitality. I wish you well in your deliberations.

Chair: If you have any further thoughts that you want to send to us, just drop us a line and we will include that in your evidence. A real pleasure to see you, as always. All the best.

Examination of Witnesses

Witnesses: **Rt Hon Carwyn Jones AM**, First Minister of Wales and Leader, Welsh Labour, and **Dr Hugh Rawlings CB**, Director, Constitutional Affairs and Inter-Governmental Relations, Welsh Government, gave evidence.

Q363 Chair: Carwyn, do you want to say a few words to start?

Carwyn Jones: No, I think that most of what I have said in the past is fairly well known. I am more than happy to take questions, of course.

Q364 Fabian Hamilton: Carwyn, First Minister of Wales and leader of the Welsh Labour party, it is lovely to see you here. The referendum on independence for Scotland has, as you know, created an opportunity for further devolution measures across the United Kingdom, which should be considered as a matter of urgency, or at least that is what has been promised. You have said that whatever has been offered to Scotland must also be offered to Wales, quite naturally. I wonder what the optimum outcome for Wales of the current debate about devolution should be.

Carwyn Jones: First of all, we need to see the Wales Bill taken forward in Parliament, but that is not enough, because the Wales Bill has been cherry-picked. We need to see the full recommendations of both parts 1 and 2 of the Silk Commission's report implemented—plus of course, with the Smith Commission's offer to Scotland last week, that offer also needs to be made to Wales. We do not take the view that somehow Wales should be in a different position in terms of what is on the table than Scotland.

Q365 Fabian Hamilton: There have obviously been separate processes. You mentioned the Silk Commission and, of course, the Wales Bill. How effective have they been in bringing further devolution to Wales so far?

Carwyn Jones: They have been effective in a limited way. The Wales Bill takes forward most, but not all, conclusions of part 1 of the Silk Commission. In that sense it has been cherry-picked. From where we see things in Wales, whatever Scotland asks for, Scotland gets, whereas we have to beg. That is not a situation that we can tolerate, if I am blunt about it. In order for there to be equity between the nations of the UK, a common offer has to be made. Then, of course, it is for the people who live in those nations to decide what they want.

Q366 Fabian Hamilton: Do the current process and the provisions of the Wales Bill need to be rethought in the light of the Scottish referendum and the proposals for further devolution to Scotland? Is it out of date?

Carwyn Jones: Yes, we've moved far beyond even what part 2 of the Silk Commission recommended. I see no reason why the Smith Commission offer in Scotland should not be made to Wales. We were taken by surprise by the scope of the offer in Scotland—the issue of full devolution of income tax, except, oddly, personal allowances and the exemptions, which I see no logic in. But there it is; that's the offer. My concern more generally is that this has been done in a wholly piecemeal fashion, without any context or structure. If it carries on this way, I fear for the UK.

For me, the answer is first to look at a constitutional convention, which I called for more than two years ago and should really have been put in place, sensibly, before the Scottish referendum. It couldn't work out that way, but in an ideal world that is what would have happened. The convention would need to look at the structure of the UK—not powers, which run along a separate track. It would need to look at how the UK works, what the relationship is between the four nations—to quote the Prime Minister—of the UK, and to put it on a sounder footing than it is at the moment. It means looking carefully at some time-honoured concepts such as parliamentary sovereignty, which I think has run its course in its current form. It means looking into having at least an element of a written constitution.

As somebody who wants to see the Union continue, I think that we are in the last-chance saloon. The Scottish referendum has not solved anything; it has, in some ways, highlighted some of the difficulties that exist. The most difficult question for any constitutional process to address is: what happens in England? Scotland, Wales and Northern Ireland are easier. England is 85% of the UK population. What do you do? Do you have an English Parliament? Do you have regional assemblies within England? Is there another model of devolution that can be applied in England? Those questions cannot be resolved overnight. The convention would have to look not only at the three smaller nations, but at England as well.

Q367 Fabian Hamilton: I think you're absolutely right. Coming back to the Silk Commission, can you tell me what elements of Silk 1 are still to be brought forward?

Carwyn Jones: We have the devolution of air passenger duty. Silk recommended that it was for long-haul flights. We take the view that it should be for all flights. That has now been devolved to Scotland; there is no earthly reason why Wales should not have the same power. Issues that have arisen beyond Silk 1 still need to be addressed—for example, the fact that the electoral system and the method of election to the Assembly is controlled from London, not from Wales.

There is a difference in approach between Wales and Scotland. In Scotland, what is proposed by a Commission seems to be accepted without question. In Wales, a similar process leads to an examination of what should and should not be devolved. That is not parity of approach. In my view, that has to change in the future.

Q368 Fabian Hamilton: The Welsh Assembly recently agreed a motion on the future of devolution for Wales across all parties, as I understand it. What is the next step in taking this motion forward?

Carwyn Jones: There are several steps. It is important to get the Wales Bill through, although it is not in a form that we entirely support, because it has left out aspects of part 1 of the Silk Commission's report. Nevertheless, that has to move forward. The Secretary of State for Wales is taking forward a process at the moment with a view to getting some kind of agreement by St David's day. The way things are at the moment, that will be quite difficult, but there is work that can be taken forward. We approach it with an open mind. On that basis, I hope that we would then be in the same situation that Scotland is with the Smith Commission, where there is cross-party support for a way forward at Westminster level as well. It is then, of course, for each political party to express support for that agreement in their manifestos in May.

Q369 Fabian Hamilton: You mentioned the Smith Commission, Carwyn. The agreement envisages urgent reform, upscaling of the Joint Ministerial Committee structures and other intergovernmental machinery. I wondered what your priority for reform of those intergovernmental structures would be.

Carwyn Jones: The JMC is useful as a way of exploring issues. The difficulty with it is that, where there is any dispute, it is resolved by the Treasury. We have a dispute resolution process, but ultimately UK Government can decide to do what it wants. That has to change. We have to move to a situation where there is a recognition of four nations working together as part of a sovereign state. We are a long way from that.

The JMC plenary which meets every year is attended by the Prime Minister, but he does not attend the other meetings. As a result, they are perhaps not as effective as they might otherwise be. The last few meetings have led to a full and frank exchange of views between not just ourselves and UK Government, but others as well. I think there is a danger that specifically the plenary session will simply be a meeting that airs grievances. That is not what the JMC is meant to do. There is scope for changing the machinery of the JMC to make sure that it moves away from simply being a heated discussion about one or two issues.

Q370 Fabian Hamilton: This is my last question: is the problem ultimately not that even this Assembly and the Scottish Parliament are there by statute granted from Westminster? There is no parity at all, as you rightly mention. There is no equality between the Governments of the different nations of the United Kingdom.

Carwyn Jones: That is true, but it comes back to parliamentary sovereignty. If you take parliamentary sovereignty to its extremes, you could end up repealing the Acts that dealt with the independence of India and Ireland. The reality is that parliamentary sovereignty has its limits. It is not acceptable that it is possible—admittedly, only theoretically—that the Assembly here and the Scottish Parliament could be abolished without even referencing the people of Scotland and Wales. That has to change. How you do that within the context of parliamentary sovereignty is difficult.

This is the kind of issue that a convention process would look at, with a view to reforming the constitution to modernise it and take it away from the current constitutional situation, which says that all power emanates from London. We are in a situation now where there are a number of different centres of democratic legitimacy, and the constitution should reflect that.

Q371 Fabian Hamilton: Actually, all power effectively emanates from whoever has the majority in the House of Commons.

Carwyn Jones: Well, Lord Hailsham called it an “elective dictatorship”. He soon forgot those words when he was Lord Chancellor.

Fabian Hamilton: Thank you, Carwyn.

Q372 Chair: Carwyn, just to set the context—you may have heard me say this to earlier witnesses, but William Hague is doing his thing with his Cabinet Committee around what they are calling devolution. However, the emphasis is clearly on English votes for English laws. We, as Parliament—separate, obviously, from Government—feel that it is very important to take a broader view about what devolution means. We are looking at the whole state of the Union—England, Wales, Scotland and Northern Ireland—and how that can shake down. We are also looking, probably in particular, at the elephant in the room: English devolution and what shape that might take. We are trying to take a broader look, even if Government itself is perhaps not taking full advantage of this opportunity. Hague will report before Christmas. We hope to get our report out in January.

Carwyn Jones: It is difficult to know what that process is meant to achieve. It is entirely Westminster-driven—a Westminster Cabinet Sub-Committee. We have had no engagement in it. On that basis, it cannot look at devolution more widely. It is unclear from where we sit what exactly it is meant to do and what the outcome is meant to be.

Q373 Chair: We share that sentiment, since the Select Committee established by Parliament to look at these things has not been personally invited to give evidence to that Cabinet Committee.

Carwyn Jones: The impression is given that it was a knee-jerk reaction to the pledge given on the front of the *Daily Record* in the Scottish referendum campaign. It is difficult to draw any other conclusion. That is why the conclusions it might draw run the risk of being inherently flawed, because of the genesis of that process.

Q374 Paul Flynn: We live in exciting times, don’t we? We are all in the slipstream of the bow. I think that it may well be that solutions are offered to Wales, or imposed on Wales, that are not appropriate, but consequent to what is happening in Scotland. Is this one of your fears?

Carwyn Jones: The major issue that separates us from Scotland is Barnett—the fact that we would not support Barnett as it currently stands. It is now an elderly formula and we know, through the academic work that has been carried out, that we are underfunded. We are not the only nation in the UK in that situation. There are regions in England that are underfunded to a greater extent; but there seems to have been a cast-iron guarantee given to Scotland that Barnett will remain. In fact, reading the Smith Commission’s report, there is a suggestion that Scotland’s funding is something to be agreed every year between the Scottish Government and the UK Government.

From our point of view, the issue of Welsh underfunding has to be addressed. Now, there is a danger of appearing to hand out the begging bowl; but my response to that is always: we contributed to the prosperity of the UK through coal, through steel, through tinplate, through slate. We sit in this building, in what was once one of the busiest coal-exporting docks in the world. We have made a contribution. I think it is right, if the UK is to mean anything, that funds are redistributed to where they are needed at any moment in time. In time, we hope to be in a situation where that is not the case, clearly, but at the moment, for there to be that kind of equity, there has to be a formula that is more modern than the one we have got now.

Q375 Paul Flynn: Sure. And I remember a quote from you on the funding: the best solution, you said, would be for the funding of the devolved Administration, and the regions of England, to be put on a new basis, with an assessment of needs as its core. What would it look like, the post-Barnett world?

Carwyn Jones: It would mean a new formula. It would mean a formula that looks at what the UK and its constituent parts look like now, not what they looked like in 1979, which is what the formula does at the moment. No funding formula can last that long and still retain its credibility. Lord Barnett himself took that view. We fund local government, but we have not kept the same funding formula in place for ever and a day. It does get changed from time to time to make it more effective. The same must happen in time with Barnett.

Q376 Paul Flynn: When we were last here, we were pleased to find that you were a friend—one of the few friends—of a constitutional convention, which we were hawking round the country rather forlornly. Is it still your view that, after all that has happened and the tumult of the referendum in Scotland, the right way forward now is a constitutional convention?

Carwyn Jones: Yes. I think I was the first one to mention it.

Paul Flynn: I think you were.

Carwyn Jones: In Dublin castle, after a British-Irish Council. It has become fashionable since then. Yes, there still needs to be a constitutional convention. What I would not want it to do is act as a brake on further devolution of powers, as an excuse to keep things as they are for any number of years. That is why what I have always said is that the convention should look at structure, whereas powers should follow a parallel path. I think then it would work very well.

If the convention is driven from Westminster, it will not work. It has to be a process that is agreed beforehand by the four Administrations; a structure then put in place to produce recommendations to consult with the public; and then for those recommendations to be agreed by the four Administrations. That gives it credibility. If it is Westminster-driven, it will not have credibility.

Q377 Paul Flynn: Okay. Can you give some idea of the timetable you mentioned? We have seen the pace towards more devolution has accelerated swiftly, and all kinds of possibilities for the result of the election in May, which could accelerate the process even more, or possibly not. The idea was a very slow progress towards a constitutional convention like we have had in the past. Isn't the process now going to be concertinaed into a much shorter period, with major decisions taken in a matter of months, when it would have taken years before?

Carwyn Jones: I don't think a convention could possibly report in less than 18 months or two years. If it is going to be major convention looking at fundamental change to the UK constitution, that cannot be done in a few months. There are lots of issues that would need to be examined there. As I said, the English question is the most difficult to resolve and that would take some time to examine and for recommendations to be brought forward. I don't think that can be done in a couple of months. It has got to be done over a respectable period of time: 18 months or two years probably is closer to the mark.

Q378 Paul Flynn: One of the other witnesses suggested that progress towards more independence and devolution in parts of England would be granted without a referendum. Is there not a danger that in Wales we are suffering from referendum fatigue, if we constantly need a referendum for every change that takes place here? It particularly presents some difficulties if you go into a referendum asking people if they would like to have more taxes imposed on them. Although there has been reasonable consensus in Wales towards devolution, and only a small opposition, it is a very difficult case to win, when you are asking people to vote for more taxes, isn't it?

Carwyn Jones: I would not be in favour of any more referendums that look at devolving power, except there is an issue about income tax. In Scotland in 1997, there was a referendum on the devolution of admittedly far fewer powers over income tax than are currently on the table for Scotland. Nevertheless, there was a referendum on the principle. It is difficult then to argue that the same thing should not happen in Wales. There is now an argument that might say that the powers in Scotland have gone well beyond what was originally agreed in that referendum. Is there a need to have a referendum specifically on income tax devolution in Wales?

On balance, I would say that referendum still needs to be held, but we see the pace of change elsewhere in the UK, particularly in Scotland, where substantial devolution will take place without a referendum. However, leaving aside what I have said about income tax, I am very wary of any suggestion that somehow every change in Wales has to be approved by a referendum. That is not what is said to Scotland, and Wales and Scotland need to be treated in the same way.

Q379 Paul Flynn: One of the perhaps unexpected results of the Scottish referendum has been a reported shift of people who had traditional loyalties to the Labour party. In the space of a couple of months there has been gigantic shift of loyalties of people in Glasgow for instance. What do you learn from that? Does it suggest that the motto of one nation is not the wisest one to adopt?

Carwyn Jones: I suppose that is a question about party politics, rather than in my position as First Minister. I have seen what has happened in the polls in Scotland; it is very interesting. It is obviously not something that I welcome as Labour First Minister in Wales. There is a lesson that people's aspirations across the UK need to be met. The challenge from Westminster is to be able to do that and it is not happening at the moment.

My worry is that that understanding of what is happening across the UK is just not there in Westminster—that does not apply to all, of course, this Committee being an exception to that rule. I just don't get the feeling that that fundamental change is being understood, not just in Scotland, but also to an extent in Wales. If you look at the polls in Wales, devolution has gained immense ground since 1997, even to the extent of clear majorities being in favour of devolution of policing and criminal justice. That would have been thought incredible five or six years ago. We came off the back of a referendum in 2011 with a majority of almost two to one for primary powers, despite the fact that the question in the referendum was three paragraphs long. We still got people to come out and vote for that.

The challenge now is very much at Westminster. The UK is changing. How will that be managed—from my point of view—to ensure that the UK continues? It cannot be managed in the same old way. It needs fundamental change. That is not something we need to be afraid of. I think we can come out of this stronger, but there are no indications yet that that is well understood by the UK Government.

Q380 Paul Flynn: What other lessons have we learned from the Scottish referendum, from the turnout and the involvement of 16-year-olds?

Carwyn Jones: It was fantastic. We all look in envy at a turnout of 85%, I have to say. It takes us back 50 years probably, in terms of general election turnouts. There is a lesson there in how that was done.

On the issue of votes for 16 and 17-year-olds, I do not think that it is possible to argue that they should not now have the vote in all elections. Once you have it for one particular vote, it is difficult to say then that it should not happen in other elections or referendums, but I do think it has to be wrapped up in a more general debate about the age of majority, if I can put it that way. It has been the same for a long time that when you are 18, you are an adult and you can vote. If we are now saying that you are able to vote at 16, does that imply then that the age of adulthood becomes 16? Other issues need to be examined as a result.

Paul Flynn: I am very grateful to you, Carwyn.

Q381 Chair: I think it was Gandhi who said, when asked what he thought of British civilisation—

Paul Flynn: Western civilisation.

Chair: He said that it sounds like a good idea and they should give it a try—or something along those lines.

I am interested in your view, Carwyn, that parliamentary sovereignty has run its course. Having been in the House of Commons for more than 25 years, it has never occurred to me that my institution was sovereign—being commanded to vote on a Government agenda on a daily basis. So whether it has even existed might be a subject for debate on another occasion, but taking your assertion at face value, are you saying that instead of what is now called parliamentary sovereignty, which is actually governmental sovereignty, it should be replaced with something much clearer? Are you arguing for a written constitution when you say that?

Carwyn Jones: Without question. At least a partial written constitution.

Sovereignty is a nebulous concept when it comes to the UK. The issue of the sovereignty of states is well understood, but how do you reconcile, for example, the sovereignty of Parliament with what is now established as a right of secession from the UK? Ireland, or most of Ireland, exercised it in 1920 and Scotland had the right to exercise it in the past few months. The right also exists in theory for Wales, although the reality is that most people would not want to exercise it in Wales, but nevertheless it is there.

How does that sit with parliamentary sovereignty? It does not seem to sit very well, because the implication of that is that sovereignty lies with the people of Scotland, Wales and, in 1920, Ireland.

If you take the view—in fact, the reserved powers model of devolution implies this—that if everything is devolved unless it is specifically reserved, the implication is that an element of sovereignty rests naturally in the devolved nation. It is true of Scotland and it will soon be true of Wales when the reserved powers model is implemented here. Given that confusion, it makes perfect sense to me that we need to sit down and sort this out. Mystical constitutional concepts that first arose several hundred years ago are not going to do for us in the 21st century.

Q382 Chair: And you could have a model, as, for example, America has, where each state has its own constitution. You could have a federal constitution covering the whole of the UK and individual constitutions for each of the constituent nations of the Union.

Carwyn Jones: It is possible. There is one note of caution, which is that if we were to move to a written constitution, there has to be flexibility built into it. The problem with the US constitution is that it is holy writ and seen that way in the US, and it is interpreted in different ways. The advantage of having an unwritten constitution is the ability to bend and to be flexible when required, so that would have to be an element of any partial or wholly written constitution.

Q383 Chair: So although my Select Committee has produced a version of a written constitution, which we call “A new Magna Carta?” and is out for consultation at the moment, I was very influenced by the conversation that we had yesterday with Hugh and a number of other colleagues in a seminar not too far from this building—a very helpful seminar about the concept of a territorial constitution or, in other words, a much shortened version that basically tells you about the building blocks, rather than going into immense detail about the monarchy, the flag, local government, etc. Something instead that sets in context the whole of what a federal United Kingdom would look like.

Carwyn Jones: Well, essentially, that is what the US constitution does. It doesn’t try to organise government at the most local level; it tries to produce fundamental rights for people across the US, while at the same time recognising states’ own sovereignty in areas that are appropriate.

What a written constitution needs to do above all else, is to make clear the relationship between the nations of the UK. That is the fundamental need of a written constitution. The rest of it is additional. I don’t think you need to look at the flag, particularly, as part of the constitution, because I don’t think, personally, that that is a constitutional issue. As for the Magna Carta, of course that was mainly for the nobles, or entirely for the nobles, and almost entirely about England—there was a bit about guaranteeing lands of Llywelyn in Wales, which was not kept to—and, of course, it led to a civil war within months. Of course, I understand the sentiment behind it—

Chair: Apart from that, we should be celebrating it.

Carwyn Jones: Apart from that, yes. I understand the sentiment, of course, and getting to a position where we have a better understanding of what the UK is, and what its constituent parts are and how they relate to each other has to be the fundamental basis of any new constitutional settlement.

Paul Flynn: Could we go back to me?

Q384 Chair: Let me just finish, and I need to bring Rosemary in because she’s got to be elsewhere shortly.

A couple of final things, Carwyn. You have talked about income tax assignment. It seems to me you are keen to have the current offer that is on the table from the Prime Minister, the Deputy Prime Minister and the Secretary of State for Wales, which is a limited income tax assignment. Did I hear correctly that, in fact, you would actually be quite content to take the full 100% income tax assignment which is on offer and has been put together in Lord Smith's package?

Carwyn Jones: Well, we couldn't accept that now, because the funding basis of the Barnett formula is not robust: it would simply lock in the underfunding. If we were to accept income-tax varying powers now, whenever we raised the issue of the funding formula we would be told, "Go and raise your own money. You've got your own powers."

Q385 Chair: Forgive me. Not varying powers, but assignment powers. I can come to varying powers; the idea that much of the block grant could just be replaced by an element of income tax.

Carwyn Jones: I wouldn't be supportive of that. I think there is no point having assignment unless you also have control. I know what is proposed by the Smith Commission, but although assigning a proportion of a particular tax provides some clarity, I suppose, really you then ask the question, "Well, if you're going to have something assigned, you may as well have full control over it."

Q386 Chair: Okay.

The last question from me is one we have raised with every witness in front of us, Carwyn. Replacing Whitehall with Cardiff, Edinburgh and Belfast may be progress, but it's not full devolution. How do you feel about the concept of double devolution, where local government has independent and entrenched rights which could be enforced, if Cardiff or Edinburgh or Belfast did not allow local government to get on with its job, by a federal level?

Carwyn Jones: An interesting idea. How that would work isn't clear. I am supportive of devolving power away from the centre. I don't think we are anywhere close to it at the moment within the UK. I think there has been a centralising theme for more than 30 years now. I wouldn't be supportive of any constitutional guarantee of the structure of local government in terms of the number of authorities, because we are looking to reduce the number in Wales.

Q387 Chair: But their rights. You are aware that Cardiff is criticised, as is Holyrood, for replacing Whitehall and not necessarily always passing power down.

Carwyn Jones: Well, in theory it is an interesting idea. We would have to see what those rights would mean. Of course, it would also mean dealing with the tricky issue of town and community councils, because we have over 700 of them. They don't exist across the whole of Wales, only in some parts of Wales. They vary wildly in size. Some represent many thousands of people, some literally a few hundred. My view is that, once we put the unitary authorities on a sounder footing than they are now, we then have to move on to looking at town and community councils—some of them would have to be merged, because they are very small—and then look at devolving power as appropriate to the size of the authority.

In my constituency, I have town councils with upwards of 16,000, 17,000 or 20,000 people and then I also have community councils with a few hundred.

Devolving power to them along the same lines would cause problems for the smaller ones. I am open to the idea of how this might work, but of course it could not interfere with the ability to organise local government in the most effective way possible.

Q388 Chair: But it will probably be on your agenda, if only because local government may well be the vehicle for devolution in England and then cross-border questions will be raised about what is happening in Wales.

Carwyn Jones: That's true. At the moment, we have too many local authorities. Many of them would not be able to be as effective as some English authorities. Our smallest authority has just over 50,000 people. We need to put local government on a firmer basis. I think that once that is done, there is a very strong case for looking at what can be devolved to the stronger local authorities and, beyond that, to the town and community councils, but given the structure of unitary authorities that we have in Wales at the moment, it will be very difficult to do that, given that so many of them have struggled.

Q389 Chair: Carwyn, thank you so much. I am sorry that we have been in a bit of a hurry; we are keen not to offend the Presiding Officer. We will be reporting very quickly, in January, but if there are other things that you would like to put our way, things that you want to share with us, please drop us a line in the normal way and we'll be pleased to see those.

Carwyn Jones: I think the message, quite simply, is this. There is a desperate need to deal with the UK's constitution or—this is my worry—the UK won't be there in the very near future, and this has to be a process that is done across the whole of the UK and is not just centred on Whitehall.

Q390 Paul Flynn: Rather than building on the Magna Carta, wouldn't it be more progressive to rewrite Cyfraith Hywel Dda?

Carwyn Jones: Well, it's a very progressive law, as you know, Paul, recognising the equality of women long before other legal systems did. That much is right, but there may be something to build on there.

Paul Flynn: Okay, fine. We look forward to that.

Chair: Perhaps you could send us a note about that, Paul! Carwyn, thank you very much for your time. It has been good to see you.

Examination of Witnesses

Witness: **Dame Rosemary Butler AM**, Presiding Officer, **Elisabeth Jones**, Chief Legal Adviser, and **Anna Daniel**, Head of Strategic Transformation, National Assembly for Wales, gave evidence.

Chair: Welcome, Rosemary. It is a real pleasure to see you. I hope that we can spend a bit of time with you after the Committee.

Dame Rosemary Butler: As long as you come to sing carols, yes.

Q391 Chair: Yes, I think we might be able to squeeze a tune in. We might not be quite on key, but we will none the less be doing our best. It is lovely to see you. We have a few questions for you. Is there anything that you want to say to start us off?

Dame Rosemary Butler: Yes. Welcome to Cardiff Bay. You have come on a very nice day, because there are lots of children decorating Christmas trees today. May I introduce my colleagues? Elisabeth Jones is our director of legal services, and Anna Daniel is head of strategic transformation.

Chair: Hello again.

Dame Rosemary Butler: Anything that I can't answer, they will answer, and if none of us can answer, we'll write to you.

The National Assembly for Wales has continuously evolved. I think we are all aware of that. This is now a mature Parliament, which makes laws for Wales in a wide range of areas, holds the Welsh Government to account and represents the interests of Wales and its people. By the time of the fifth Assembly in 2016, as you know, we will have further power and responsibility for taxation.

The Silk Commission recommendations set out a clear path for the future of devolution for Wales, and I want to see that future become a reality. I am firmly of the view that it is time for the Assembly to be recognised as a permanent legislature with the powers, capacity and status that would flow from that.

There are three key issues that I want to see changed. First, the size of the Assembly; secondly, the strengthening of our sovereignty, including the devolution of election matters; and thirdly, the clarity of our powers. There is no question in my mind that we need more Assembly Members. The only questions are, how many and how soon? I called for 80 in my evidence to the Silk Commission, but that was almost two years ago. The demands of the legislative programme in the fourth Assembly is now more evident. We also have greater clarity on what financial responsibility we will have in the future, and I am now minded to say that we might need more than 80 Members. Whatever number we have, we must have them as soon as possible.

With regard to sovereignty, this Assembly now has an accepted part in the political landscape, and its permanence should be entrenched. It should be able to decide its own future and have more control over decisions about how it is run. I was pleased to see that the Smith Commission said the same thing for the Scottish Parliament. Similarly, I would like to see powers devolved over electoral arrangements. That was not addressed by Silk, but it is important for the institution and for democracy in Wales. Again, the Smith Commission has agreed that that should be the case for Scotland.

On the clarity of our powers, the conferred powers model of legislative competence presents a challenge. I welcome the commitment of the Secretary of State for Wales to make progress on moving to a reserved powers model. That would help to dispel some of the uncertainties about the Assembly's role and responsibilities. It is crucial, in this transitional change to reserved powers, that we do not lose any of our existing legislative competencies. That is something that we need to look at very carefully.

I will just finish with a few points. The Assembly has already agreed a cross-party motion, which you probably had from the party leaders earlier. Many of the recommendations in the Smith Commission chime with what I and others have been calling for to make this Assembly stronger. Where Scotland's Parliament is being offered new powers or responsibilities, we would expect the same respect to be shown to Wales's devolved institution. I welcome the work being done by the Secretary of State to reach a political consensus for Wales by 1 March 2015. I think that is very

ambitious, but it is time our constitutional arrangements caught up with the changing nature of our Union. It is important that we all move forward together.

As Presiding Officer, my priorities are not party political, but are driven by the long-term needs of the Assembly as an effective democratic institution. Hopefully, we will now have the opportunity to achieve that with some essential changes that will provide a sustainable foundation for the institution to deliver what the people of Wales expect.

Chair: That is very helpful, Rosemary, thank you very much indeed. I think you have covered a number of the issues that we were going to ask you in the questions—

Dame Rosemary Butler: That was the idea.

Chair: It might speed your journey to the choir, and ours too. Fabian.

Q392 Fabian Hamilton: Thank you, Chair. Rosemary—

Dame Rosemary Butler: Good morning.

Fabian Hamilton: Good morning. You have already mentioned the motion on the future of devolution for Wales that was passed by the National Assembly. What role do you see the Assembly, and yourself as Presiding Officer, having in the current debates around devolution and further devolution?

Dame Rosemary Butler: It is very important, and I have agreed with the Secretary of State that I will have regular meetings with him before his report in March. The Commission here—in fact, Anna is doing the work for us—is looking at what size the Assembly might be, what kind of numbers we might need, how the Assembly could change and how we will adapt to anything that comes either from the Silk Commission, the Secretary of State, the Hague Committee or wherever. We need to be able to adapt very quickly.

I see that I have got quite a pivotal role in ensuring that, as well as party politics, the overall Assembly view is seen. It is very important that the Government of Wales Act 2006 is changed as soon as possible. At the moment, it tells me how to create my Committees. We do it, but it is not the most effective way of running it. My role is to ensure that whatever comes is actually going to be workable. We can all have big political answers, but if it is not workable, it is not going to happen.

Q393 Fabian Hamilton: My next question follows on logically from that. How effective has the process of determining further powers to be transferred to the National Assembly for Wales actually been?

Dame Rosemary Butler: How effective has it been? Well, that is interesting. There have been lots of debates, and very high-quality ones. If people take on board reports like the Silk Commission's—they were set up, then taken on board and delivered—I would say that it was efficient and effective. But people are cherry-picking out of reports, and that is not always the best way forward. "Effective" is probably not the word I would use.

Q394 Fabian Hamilton: What are the priority issues that you would like to see resolved in any further devolution settlement?

Dame Rosemary Butler: Well, I think the first thing we have to address is the size; that is something that needs to be addressed. Sovereignty is important for us to be able to make our own decisions. It would be the same as in Scotland. I mentioned the Government of Wales Act, which is far too prescriptive. We should be able to decide these matters ourselves.

The Secretary of State's role is something that needs looking at. He has the right to come here every year. In fact, there is a chair in the Chamber that is specifically his.

Fabian Hamilton: Really?

Dame Rosemary Butler: They don't use it—I'm not saying that he wouldn't be welcome, but they don't use it. They come once a year for this big set piece. We should be able to decide whether we are called a Parliament or a Senedd. It is that sovereignty; we should be able to decide these things. We should be able to decide electoral arrangements in Wales.

Q395 Fabian Hamilton: Everything you are saying actually points to one fact, which is that the Assembly, the Senedd or whatever you want to call it should be embedded in the constitution of this country, not granted by an Act of Parliament from Westminster and whoever controls the majority in the House of Commons. Does that mean that you believe we should have a written constitution for this country that embeds all the Parliaments in the nations of the United Kingdom in that constitution permanently?

Dame Rosemary Butler: That is my personal feeling. I would think that that is probably the feeling of most Assembly Members, but it is really important that we have this Parliament in Wales. In a number of referendums, the people have agreed that we should have more powers, but Members of Parliament in Westminster could actually do away with the issue if they chose to. That cannot be right.

Q396 Fabian Hamilton: I know that it is not your concern, but would you see this as applying to the regions of England as well? Obviously, England comprises 85% of the population of the United Kingdom. Yorkshire is bigger than Wales—a lot bigger.

Dame Rosemary Butler: Yes, but we are very beautiful and very clever here.

Fabian Hamilton: Well, I would argue that Yorkshire is just as beautiful.

Chair: I am going to have to call you both to order very soon.

Dame Rosemary Butler: I think it is very important that we have a constitutional convention where people sit down and seriously look at it. We do not want quick-fix solutions on the back of a referendum that did not deliver a particular vote. It is really important that we now sit back, take time and deliver a constitution that is right for everywhere in Britain.

Q397 Fabian Hamilton: Would taking that time not be seen as a betrayal of the promises or vows made during the Scottish referendum?

Dame Rosemary Butler: What I would like to see is the things that have been suggested for Wales being delivered now. There is a lot of stuff that could happen that would please me. I have mentioned those already—particularly being able to decide my own Standing Orders. Lots of stuff can

happen now, but there needs to be this bigger constitutional conversation, of which the National Assembly for Wales should be a part.

Fabian Hamilton: Thank you very much.

Q398 Paul Flynn: Selling the idea of more politicians is a very difficult one, as we all know, because of the public perception. Could you describe why the Assembly is defective at the moment because it lacks more than 60 Members? What will the extra 20 or 40 add?

Dame Rosemary Butler: I hate to dispute with my colleague, Paul, but we are not defective at the moment. We are as efficient as we can be. I understand what you are saying. I think the issue is that we were set up with 60 Members in 1999—a very different institution. We now have a range of primary law-making powers that we did not have before. There are 60 Members, but if you take the Government out, that leaves just 40-odd Members to scrutinise the Government, make laws and take part in debates. Because we are so small, the Members have to do everything. With all due respect, in Westminster you don't have to do everything. You can choose, because there are 600 others who can fill in. Here, there are not. For example, you have Members who are on three major Committees. You could have an organ donation Committee one day and wind farms the next—big Committees. What the Members need is thinking time so that they can specialise.

I am looking to the future now. We have fiscal powers and a whole range of things coming in the future, and we have to be prepared. I understand that it is not going to happen overnight. Where the Members come from is not for me. In private, it might be, but in public, it is not. More politicians is perhaps not necessarily the answer. Politicians in different places might be the solution.

Q399 Paul Flynn: Yes, and I'm not sure why—it is our fault in Westminster that we ended up with this arrangement. What people were trying to avoid at the time was to have continuous one-party rule. That was one of the great fears in setting it up, and it was set up with an element of PR in it. I think we would all recognise that there is not the role of active Back Benchers; on both sides, almost everyone is a Front Bencher. It does not give you that scrutiny that you require; I think we would all go along with that.

Dame Rosemary Butler: I think the other issue, Paul, is that we are unicameral. We do not have a second House, so we have to get it right the first time. In Westminster, you can send it to the Lords and amendments can be made and it can be sent back again, whereas here, that cannot happen.

Q400 Paul Flynn: In your introduction, you touched on the fact that the Smith Commission is suggesting that there should be powers over the franchise—over electoral administration in Wales. Are you keen on that being transferred here as well, and for the boundary decisions to be made here?

Dame Rosemary Butler: Well, boundaries are one decision. I think the boundaries in Wales could be looked at by Welsh people and the Welsh Parliament. We should have our own electoral arrangements. We should be able to decide whether people can vote at 16 or not; in fact, I am having a national conversation at the moment with young people across Wales, and the response has been fantastic—the numbers of people taking part who want to know more. But I think it should be the people of Wales. They are competent. The Smith Commission has said that it should happen in Scotland, and obviously there is no reason why it should not happen here.

Q401 Paul Flynn: You have devoted a lot of work to ensuring that young people and women are involved in politics—very successfully, and you have been rightly honoured for that. How do we progress in future on both those grounds? How do you regard the vote in Scotland involving young people? Was it a triumphant success? What is the lesson from there?

Dame Rosemary Butler: It was just fantastic. The numbers that came out were just amazing. How do you progress? Well, it might be helpful perhaps if your Committee could have enough women—or some women—on it. That might be a progression, but you can't do that now.

It is an issue that we need to look at, because 51% of the population in the United Kingdom are women, and it is a resource we cannot afford to waste. There is research to show that when men and women make decisions together, those decisions are more sound and better, so we need to look at that. I think it is very important that we do as much work as we can and get younger men and ethnic minorities in—a whole range of people—because if you truly want to represent the people, you have to reflect the population.

Paul Flynn: Okay, thanks very much.

Chair: Rosemary, I had a number of other things to ask, but I am looking at the clock and I am conscious of the time.

Dame Rosemary Butler: I've been talking too long, haven't I?

Q402 Chair: No, you have other important duties. May I just raise one quick thing with you, which I have asked the other witnesses too? It is about what I would term double devolution. If you are being told what to do by Cardiff, it is only marginally less onerous and annoying than being told what to do by Whitehall, and a number of people have said that Cardiff power can stop at Cardiff and not filter down to the local authorities. I have certainly heard that very strongly from some colleagues in Scotland, who say that actually, Holyrood is a recreation of Whitehall and is actually sucking power up from the localities. How do we address that, and are you conscious of that criticism out there? Do you think it is something that we need to get a grip on as devolution spreads throughout the whole United Kingdom?

Dame Rosemary Butler: It is an issue that people always raise. They say that things are London-centric, Edinburgh-centric and Cardiff-centric, and it is up to us as politicians to make sure that the message gets out. What is different here about it being Cardiff-centric is that we do consult on a whole range of things. Committees have big consultation exercises, which give the people the opportunity to take part in the decisions that are being made. But we do make an effort to get out and about in Wales. I am often in different parts of Wales, and it is important that people feel that we are part of them.

We get young people coming here. We have subsidised transport—there are thousands of young people. Paul Flynn referred to our outreach programme, which is very extensive, but it is a big issue because, in Wales, we do not have big national newspapers; a lot of the news that people get is from English television. Therefore, they do not always understand what is happening in Cardiff. We take this up with the BBC and ITV, and tell them that when they report on health on the news, they should say, "This is health in England, not health in Wales." It can be confusing, but we are a new institution and we are sensitive to getting the message out and looking at ways to do that.

Q403 Chair: I think that this agenda will echo in Wales because, if you are to have effective devolution in England, it is probably unlikely to come from a regionally based solution, which was tried in 1997, but will be using local government as the vehicle for devolution and letting them build from the bottom up. I hope that that debate will be a popular and common one in England. It may be that the debate about genuinely autonomous local government and its role in a devolved settlement pushes into Wales even more strongly, which is why I raised the question.

Dame Rosemary Butler: Well, I am very keen on devolution to Cardiff, and from Cardiff to local authorities, from local authorities to town councils, and from town councils to parish councils. Decisions should be made at the lowest sensible level, I strongly believe that. Again, we are a new, evolving Parliament. As you know, the structure of local authorities is being looked at at the moment, so local authorities would expect to be more autonomous. Of course, city regions are going to move a long way towards that.

Q404 Chair: Rosemary, I am conscious of your time and very grateful that you had time to speak to us this morning. It is a great pleasure, as always, to come to the Senedd and the beautiful building that you have.

Dame Rosemary Butler: Well, thank you very much. I'm sorry that we haven't got longer, but Christmas tree decoration with primary schools takes precedence over Members of Parliament; I'm sorry about that.

Chair: You'll have the horrendous experience of a number of us singing slightly out of key when it comes to the carols, but I hope you will forgive us for that.

Dame Rosemary Butler: Well, I do hope you'll join us. Thank you very much indeed.

Chair: Thank you; it is good to see you.