



HOUSE OF LORDS

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Witnesses: Jessica Blair and Dr Victoria Winckler

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Members present

Lord Lang of Monkton (Chairman)
 Lord Cullen of Whitekirk
 Baroness Dean of Thornton-le-Fylde
 Lord Judge
 Lord MacGregor of Pulham Market
 Lord Morgan
 Lord Norton of Louth

Examination of Witnesses

Jessica Blair, Institute of Welsh Affairs, and **Dr Victoria Winckler**, Bevan Foundation

Q274 The Chairman: Thank you both very much for coming, and for being here punctually to enable us to make a prompt start because we have to try to keep to our programme. We are very grateful to you both for coming to talk to us. We have been gathering a range of opinions from across the spectrum, so to speak—I do not just mean politically; in fact, hardly at all politically—about our inquiry into the union and devolution, which is quite a big, broad and complicated subject on which to reach conclusions. I am sure that you will have things to say to us that we will find enlightening. I start with a general question: what do you think matters to people in Wales about the union and being members of the United Kingdom? Would you like to start, Dr Winckler?

Dr Victoria Winckler: The first thing that I would say is that the union, as you are aware, is incredibly long-standing. It is almost something that I think the vast majority of people in Wales take for granted. It is not something that most people stop to contemplate and think about. Given that, the important features are the strong and close relationships between Wales and the rest of the UK—whether those are family and social relationships. There are strong economic relationships as well, although they are different in different parts of Wales. There are strong cultural relationships, although that is quite complex, and, of course, crucially, there is the fiscal relationship, which, I am sure you will ask more about subsequently.

The Chairman: We will. We will discuss that as we go along.

Jessica Blair: From the IWA's perspective, we had an online constitutional convention about a year ago and we engaged with 12,000 people across Wales. We asked them: what does the UK mean to do? What matters to you? The things coming out of people's contributions to that convention were around the welfare state, foreign policy, defence and being part of a safe, secure union, but with the ability for Wales to make its own impact within that union.

The Chairman: Do they divide it up into more specific approaches such as the sharing of burdens—the fact that, if there is a big economic setback, the rest of the United Kingdom helps to support whatever expenditure is needed in Wales—or do they not analyse it to that extent?

Jessica Blair: For Wales, since devolution, because of our economic circumstances, it has been very much the role of the union to almost support that in a way due to the Barnett formula. Until now, there has not been much fiscal autonomy or accountability for Wales. I think that, moving forward, it is going to be really interesting to get that accountability and to see how that role changes the perspective of Wales and that of policymakers and people within the country.

The Chairman: Thank you. Let us move on to the more detailed questions.

Q275 Lord Morgan: I am delighted that we have these two organisations represented by their officers. I have been a member of both for many years and they fulfil an enormously valuable role in Wales, where think tanks were not numerous in the past. On the so-called social union, there has been much talk about seeing this as a world in which the risks and the benefits are shared out, and where misfortune in one part of the union is redressed by other parts. This seems to be perhaps complicated now by suggestions that there should be a greater level of fiscal responsibility falling on the devolved Administrations, and perhaps falling on mayors in cities or the heads of regional organisations. Is this a possible problem? Might it reduce equality by affecting the UK-wide distribution of resources?

Dr Victoria Winckler: “Fiscal responsibility” is a somewhat loaded term because it implies that if you do not have a change in arrangements, somehow the current system is irresponsible. We have been looking at the potential for more devolved taxes in Wales and at local taxation. What is clear is that there is a mix of benefits and disadvantages. The benefits, as I am sure you are aware, are increased transparency, the possibility of having a system of incentives and rewards, and giving the responsible body additional tools and levers to achieve the changes that it wants. Equally, as you have identified, there are significant risks. There is the risk of a race to the bottom. There are real risks around redistribution. It also implies that somehow the responsible body has complete control over the economy or whatever area it is attempting to raise revenue from, and that is not the case. A huge element of Wales’s economic fortunes is shaped by UK and, indeed, global forces, as the decisions around Tata Steel have shown in the last few days. Our view is that there is an important role for devolved taxes and that those devolved taxes, and the revenue they raise, should be linked to devolved activities. It is probably the case that certain forms of taxation could be, and indeed should be,

regionalised or localised; for example, land-based tax and some housing taxes—I think there is scope for those. But there are other taxes that are central to the social union. These are primarily around income tax, corporation tax and VAT. They are the big earners and they are the ones that provide the coherence to the UK as a whole. If we go down the road of increasing devolved taxes, there are some significant issues around the allocation of block grants. There are some massively complex discussions going on at the moment about how the Barnett formula needs to be tweaked to take account of devolved taxes. In that complexity there is a lot of scope for argument and disagreement and a lot of scope for error, in my view. So I think there is a place for so-called fiscal responsibility, where it is appropriate, but I think that the moves towards devolving big parts of some of the major taxes are, certainly from our point of view, a serious concern in respect of equality.

Jessica Blair: From our perspective—especially in terms of how you reconcile the current block grant funding formula with increased fiscal accountability for Wales—there are real risks that you lock in disadvantage if the role of the union in funding that gap between the two revenues is not thought through properly. We can learn lots of lessons from redistribution formulas used elsewhere. We need time for that to be considered properly. We should not rush into anything with taxation and block grants as we would not like to lock in disadvantage for Wales.

Lord Morgan: We seem to hear rather more apprehension on this point in Wales than we did in Scotland, and that is true of other parts of the country. Do you think that this is a problem of a particularly ominous kind in Wales given that, broadly, the economic bases are poorer in Wales, the value added per person is lower and there are certain sociological problems, such as the population being older?

Jessica Blair: There are a couple of major issues here. There is obviously the economic element—Wales is poorer than Scotland, so no wonder Scotland is more confident in taking up fiscal autonomy because there is obviously a big gap that Wales would have to bridge that they are very concerned about here. But there are other elements around confidence in our devolved Administrations and in our economic base, and unreliability, almost, of our ability to grow. Our GVA has not developed at all since devolution, so there are numerous reasons for Wales to be a little more reserved than Scotland in these terms.

Q276 Lord MacGregor of Pulham Market: Is there scope in this general debate for establishing a minimum level of provision in different areas of public policy which would be set across the UK, and which devolved Governments could supplement but not reduce? I am

thinking in particular of welfare, healthcare and those sorts of areas. If so, who should set that minimum level?

Jessica Blair: One thing that we found from the constitutional convention exercise that we held was that there was a real sense among people in Wales that devolution to date had been done with an ad hoc and piecemeal approach, and that there had been very little consideration of the role of the union as a whole and of each part within it—Wales, Scotland, local councils and so on. I think that there should now be a proper national constitutional convention, and a key element of that could be minimum provision. There needs to be a discussion about what makes us part of the union—what is the same in every country, what the minimum provision really is, what should be different and what the benefit to Wales and Scotland of being different in certain areas would be.

Dr Victoria Winckler: The answer depends on the service. There is a very strong case for having a common standard of provision for some aspects of public service, such as state pensions, maternity benefits and so on, but I think that there is scope for other aspects of the welfare state and public services to be devolved. By devolving them, you can get a better fit between the devolved service and the local or national circumstances, and provide an incentive for improving those services in the area concerned.

The question of a common standard would then need to take into account different needs and to have a funding mechanism that matched those needs. Let us take as an example a common standard for healthcare provision. The current Barnett formula is based on a per head allocation with no account of needs, yet Wales has a significantly higher proportion of older people in its population with greater health needs. It would be unfair, in my view, if Wales was expected to meet a particular standard but did not have the funding to match it. There is a need for a common standard—a minimum standard, if you like—that is not so low that it then becomes the norm. Who would decide? I think that it would have to be a combination of those providing the funding and the devolved Administrations because, if they are going to be held accountable for meeting standards, that has to be done by consent. There is likely to be some nervousness in Wales around this sort of approach unless that consent is absolutely central. The nature of the devolution settlement and the nature of all the arguments around the Wales Bill at the moment make many people in Wales a bit sceptical.

Q277 Lord Cullen of Whitekirk: It is said that among members of the public there is a lack of understanding of, or possibly a lack of interest in, the respective responsibilities of the UK Government on the one hand and the Welsh Government on the other. Would it be beneficial

to overcome that lack of understanding and, if so, what practical steps might be taken, and by whom, to put things right?

Dr Victoria Winckler: I think that we could both write a book about all the examples of misunderstanding, whether they are by Radio 4 or the newspapers—I came across one in the *New Statesman* the other day. The misunderstandings are constant, and the inaccuracy in the vast majority of UK media reporting is then perpetuated by a lack of understanding among the Welsh public and our relatively weak media, which Jess knows more about than I do. It is a major problem. The other side of the coin is that many people in Wales—even people who think they understand devolution—do not understand the key role of the UK Parliament and the UK Government, particularly in deciding the size of Wales’s spending pot and the powers that we do or do not have. There is a massive field of ignorance.

Jessica Blair: A BBC poll last year found that almost half the people in Wales thought that Jeremy Hunt was their Health Minister. There are major consequences from that. We have relatively low standards of voter participation. Our last referendum turnout was very low, and voter turnout was around 42% or 44% for the Assembly elections. It is not brilliant. The two elements of misunderstanding—a lack of clarity and a lack of engagement—mean that we cannot really hold the Assembly or the Government effectively to account, and that has been an inherent problem in Wales. Who is challenging performance? Who is saying at the ballot box every five years that they really have not delivered on healthcare? Who is changing the Government when they are not performing properly? There is not really anyone to hold the Government effectively to account because people are being misinformed by the media, they are misunderstanding a lot of things and they are not engaging with Welsh politics. Addressing all those issues is a real challenge.

Lord Morgan: I cannot recall, but have your two publications tried to assess the nature of this lack of public understanding? Certainly I would be extremely grateful if you informed your readers that Jeremy Hunt is not a Minister in Wales.

Lord Cullen of Whitekirk: If you ever finish that book that you were talking about, please publish it.

The Chairman: You have identified the problem. Is there a solution? Incidentally, the problem is not common only in Wales; it is common in Scotland. Even in England, where there is only one Parliament to contend with, I think that a lot of people do not quite understand the way that things work.

Jessica Blair: One big issue that we have in Wales is that the devolution settlement has been quite piecemeal in approach. It has not really rested on a principle of clarity. You are seeing

that now with the new Wales Bill that is coming through. The Secretary of State is talking about clarity being a really key principle within that, but I do not see that that has been realised. The reserved powers approach, as it has been written in the statements in the draft Wales Bill, will not go any way towards addressing that clarity. While you still have unclear, piecemeal approaches to devolution, when even experts are having to debate what is and is not devolved, you cannot really blame the public for not understanding it. A clearer approach to devolution, with a proper charter of the union which recognises the role of each element of it, would be one step. Addressing our media problems, our accountability problems and our engagement problems would all contribute to the same goal.

Lord Cullen of Whitekirk: When you mentioned a charter, were you talking about a charter for the whole of the United Kingdom? After all, what is devolved in one nation is not the same as what is devolved in another, so it would need to take account of both.

Jessica Blair: Yes, but in a way the lack of matching up of different Administrations has been the result of politicking. Wales has less political leverage. Scotland has obviously been afforded more powers because of political leverage. There should be some recognition at a central level of what the union is for, what each part of it is for and what elements should be devolved. Something which engages the public and takes those questions into consideration will be vital.

Q278 Lord Cullen of Whitekirk: One of our witnesses suggested some kind of joint effort by the Governments, putting forward for public information a proper document that is not necessarily a charter but which sets out in clear information what the respective roles or the degree of roles are. Would that be a good idea?

Jessica Blair: I think so. Any charter, or however this would take place, needs to rest upon engagement with the public. It needs to go beyond politics and beyond partisanism, and it needs to be representative of all parts of the UK.

Dr Victoria Winckler: I agree with Jess. I would just stress that the devolution settlement is complex and messy, and even government officials and Ministers are not always clear about what is and is not devolved, so having a simple principled settlement is crucial. We cannot expect people to understand that, for example, bus transport is devolved but speed restrictions and vehicle specifications are not, whereas public assistance for concessionary fares is, and so on. It is just obscure and arcane and people do not understand that. A simple settlement is ingredient number one, backed with a shared understanding that then can be used with a basis for informing the media and commentators. That is very important.

Lord Judge: I understand you both to be saying, in the context of a document or charter, that it would help address the issue of divisions of power and responsibility so the citizen could be better informed by it. What do you say about the possibility of a charter, if we call it that, of the union? I ask the question because we have been told by one witness that such a charter is essential, by another that it is unnecessary, and by another that it is motherhood and apple pie, so we have very varying views on a charter in the second context which I have identified. Do you have views about that which you could share with us?

Dr Victoria Winckler: The devil is always in the detail, is it not?

Lord Judge: I think the devil is getting everybody to agree.

Dr Victoria Winckler: Setting out those principles is very important, whatever you call it—statute, charter, or whatever. As I said earlier, the lack of clarity about those principles has underpinned a lot of the difficulties we have had, particularly in the shift to the reserved powers model. Setting out how the various Governments work together, and in particular stressing transparency and consent, is important. At the moment, different spheres of government perhaps work on different assumptions and understandings. To be honest, I do not know whether a charter or statute would do those things, but it is at least a vehicle or mechanism that might help.

Jessica Blair: I agree. I do not think that there is a one-size-fits-all approach to devolution or trying to reconcile devolution, but any attempt at a holistic thought about the role of the union and its principles—essentially principles of devolution, trying to nail down this idea of subsidiarity in particular—would be vital for us, and a charter might be a good mechanism to do so. However, public engagement is needed on this. I echo Victoria's comments on the intergovernmental relations and trying to formalise those. At the beginning of devolution for Wales, when parties matched in the Assembly and in Parliament, there were a lot of easy vehicles for discussion to take place. Now, with parties of different colours in all parts of the UK you are seeing some of these issues start to come out. That is, for example, with the referral of a few pieces of legislation to the Supreme Court, and you are seeing more battles over the Trade Union Bill and the Assembly potentially not passing a legislative consent Motion. There is nothing to state a clear line, so a charter which underpins those clear lines and tries to move some of the jagged edges of devolution away would be a good thing.

Lord Judge: It would be difficult to see how you could have a charter of the second kind that I was referring to, on which you have both kindly answered, which did not have the full consent of all the four nations. However, let us go back to your first charter, on sharing

responsibilities and so on. How will that be promulgated so that the BBC and the newspapers in Wales and Scotland will report the facts? Or at least report them more than once.

The Chairman: In a balanced and fair way.

Lord Judge: Or at all. May I just explain why I asked that question? The last thing we should have is a system of Governments issuing this kind of thing, because it so quickly turns to propaganda. How are we going to have it produced and promulgated objectively?

Dr Victoria Winckler: The Institute of Welsh Affairs and ourselves have called for some sort of a UK-wide, independent constitutional convention. The issues that are arising, which you have recognised we are working on, are absolutely fundamental, and things are changing very quickly without people necessarily realising the implications. That might be one of the outputs from such an activity. My view is that members of the public are not terribly excited by academic debates about the constitution. However, they are enormously excited about who takes the decisions about things that affect them in their lives. Therefore any constitutional convention probably should not be called that and would need to link its debates to the real issues that concern people.

Q279 Lord Norton of Louth: To follow on from that, you have been talking about public understanding, but then there is the question of public involvement. You have been talking about it as a process, you want to reach some sort of potential settlement, but a lot of it is about discussions between the different Administrations. To some extent, the public are left out of that, so understanding is about explaining to them what has been decided at a higher level. Are there other mechanisms by which the public can have a more regular involvement, or at least by which the public voice can be heard in the actual process?

Dr Victoria Winckler: The Silk commission tried various approaches and embarked on a major exercise, travelling around Wales. I felt rather sorry for it, because in its early days it got a lot of bad press because of quite poor attendance. However, by the end of its process it was generating quite significant interest and debate. There are some lessons to be drawn from that in that whatever the activity is, it needs to get out there; it needs time, momentum and it needs to engage with people where they are, not expect them to come to you. So successful sessions will be in supermarket car parks, cafes, shopping centres, while a session in a town hall on a wet Wednesday will not be so successful, which is not surprising. Social media is absolutely crucial and the mainstream media has a role to play. Should we have such a convention, it would need to take a 21st-century approach to engagement and learn all the tips.

Jessica Blair: I echo that. Any approach to engaging people politically needs to use a mix of methods. Our constitutional convention took place online, which was great, but there were always people who were excluded from that; we knew that, and that was the big challenge we faced. So we need a mix of methods with learning from, for example, Ireland's constitutional convention, which engaged real people on these issues and had some success stories.

Lord Norton of Louth: Just on that, there is always a danger when you simply invite evidence that you just get the usual suspects. Is it built up from the Silk roadshow, so to speak? I take it from what you are saying that more and more members of the public got involved. In your online convention were you able to map the sort of people who contributed? Did you get a feel of whether it was the public rather than those who already had a view?

Jessica Blair: It was definitely the public, but probably more the people who are more prone to be involved in these debates from the public anyway. That is the challenge you will always have. One of the big learning lessons that we took from our convention was that asking complex questions puts people off. You need to break down the questions you ask and make them relevant and interesting to people's everyday lives.

Lord Norton of Louth: Did you find that that worked and that you got more of a response from them?

Jessica Blair: Yes. For example, we asked people, "How would you improve the economy?", but we changed that to "What is your one idea that you would carry out if you were in power to improve the economy?". We had a couple of hundred responses to that, which ranged from free solar panels for everyone to a metro or looking at transport infrastructure. Asking engaging questions on what are not normally engaging subjects seemed to work.

Lord Norton of Louth: And that was a peg on which you could hang other things.

Jessica Blair: Yes, exactly.

The Chairman: As we came out of the station today, I saw a poster advertising some sort of meeting or debate which related to the way in which government is changing in Scotland. Did any of my colleagues see it and read it properly?

Lord Judge: I did. It was called "The Independence Debate".

The Chairman: Yes. I read it very quickly and did not absorb it properly, but I was rather surprised. So perhaps there is some debate going on. To go back to the educational side of it, it is sensitive. You do not want to take politics into a classroom, but surely children are told something about constitutional civic duties and all that sort of stuff at school at certain ages and in fairly carefully monitored circumstances.

Dr Victoria Winckler: The Welsh baccalaureate, which is followed by children in secondary school, includes learning about devolution and government in Wales. Certainly for children in south Wales that normally seems to include a mandatory visit to the Senedd, which is extremely important. I am not aware of any evaluation, but I know from personal experience with my children that that was very important to them and they finally understood what my job was.

The Chairman: So it may take a generation but it will happen eventually?

Dr Victoria Winckler: Absolutely. That is a very specific age group. Among the wider public, there are small elements: the Open University has quite a successful module on contemporary Wales which includes a lot about the devolution settlement, Welsh economic history and so on. That is quite limited—and, of course, adult education is an area where there have been a lot of cutbacks.

The Chairman: Would local radio be interested or persuadable to have a five-minute slot twice a week?

Dr Victoria Winckler: They might be.

The Chairman: They could ask questions to test people's knowledge. Heavens, they do it about pop songs all the time: can they not do it about the way people are governed?

Dr Victoria Winckler: That touches on an issue which I am sure Jess can say a bit more about. There are issues in Wales about the size and coverage of the media and about the direction in which people point their TV aerials.

Jessica Blair: There are massive issues in Wales. We released the IWA media audit last November, which looked at different media provision in Wales. A couple of big things that we found were that there have been massive cuts to English-language TV provision in Wales. There has been a huge challenge to Wales reflecting itself back within Wales. Obviously, there is an increasing consumption of both online and print media from the UK within Wales. The *Western Mail's* distribution, for example, has fallen to about 17,000 a day. If you are talking about people accessing local radio and getting news through that source, you also need to be tackling the more national sources of news that they are getting and making sure that they are also representative and speaking back to and informing people within Wales.

Dr Victoria Winckler: To follow on from that, I do not think that those difficulties are a reason not to try. It is very important and there is more that perhaps the Assembly could do to get that message out to Swansea Sound and other local radio stations, and to local newspapers.

Q280 Lord Morgan: We have discussed devolution so much in terms of constitutional mechanisms and frameworks, but, as you will both know very well, underlying this as a major context factor is the force of nationality, national identity and nationhood. That is very important in Scotland and in Wales, although in rather different ways, I think, in the two nations. It is complicated in Wales, as you well know, by the fact that 20% of us speak Welsh and 80% do not. How far do you think the aspect of national identity has shaped the way that devolution has developed? In that connection, in trying to understand more deeply and intimately Welsh and Scottish nationhood, would it help us to understand the force of national identity in England?

Jessica Blair: I think that national identity had a big part to play in Wales getting devolution in the first place in 1997. I have not seen many studies since then around national identity and devolution. It is one of those big issues that politicians are failing to grapple with in England. English votes for English laws has essentially been a sticking-plaster approach to reconciling that problem. Politicians are shying away from grappling with national identity in English debates. Unless you address this properly, with city regions and devolution to Manchester after it rejected a mayor in a referendum, you will instil grievances.

Dr Victoria Winckler: Identity is one of those extremely slippery concepts. I looked this up yesterday: of the population of Wales, only about two-thirds of the people living in Wales identify themselves as Welsh. A proportion think that they are both Welsh and British or some other combination, which is quite interesting. That has other complex overlays with the Welsh language and the often very strong sense of local identity. Those knit together and have shaped devolution—but alongside that I think that there is a strong sense of people wanting devolution because of a sense of injustice and of feeling ignored, neglected and marginalised from the UK, in particular from government decisions, and wanting subsidiarity. Quite where that will take us in Wales and what the implications are for England is not clear. As a first point, there needs to be a lot more discussion and debate. We need to recognise that a lot of people in England see themselves as Cornish, northern, Geordie or whatever, alongside their other identities. Those identities can be very strong.

Lord Morgan: One thing that strikes me—I do not know whether you would agree—is that the sense of nation has become a force for greater optimism in Wales since devolution. When I was younger, the idea of nationhood was often associated with a dying past and a language that was dying, a rugby team that was not as successful as it had been, valleys being drowned, and so on. In the period since devolution, it seems to me that very young people have become associated with national identity. This is perhaps a point that other witnesses have covered.

Dr Victoria Winckler: I quite agree.

Lord Norton of Louth: You talked about the proportion of the population that sees itself as Welsh. Perhaps one should question the proportion who did not. Do you have data on what they did see themselves as?

Dr Victoria Winckler: British.

Lord Norton of Louth: They identified themselves as British.

Jessica Blair: I think the data is from the Moreno question study.

Dr Victoria Winckler: No, the data I quoted is from the census.

The Chairman: Our time with you has flown past, but we have covered the territory we wanted to. You have been extremely informative and very helpful to us, so I am most grateful. Thank you very much for coming in, and we will study the transcript of what you said and learn from it.