



PROGRAMMES WHERE NO SUBSTANTIAL CHANGES ARE RECOMMENDED

Introduction

1. The purpose of this paper is to seek the Commission's confirmation of areas where no substantial changes to current non devolved/devolved status will be recommended. Given the high-level nature of this paper we have not followed our normal policy paper template on this occasion.

Overview

2. Building on the discussion at the last meeting, this paper suggests:
 - non devolved programmes where no substantial changes are recommended;
and
 - devolved programmes where no substantial changes are recommended.

Non devolved programmes

3. There are a number of programmes where the evidence we have received and reviewed (written evidence, international evidence and previous reports) strongly suggests that the powers should remain at UK level. This conclusion is also consistent with the principles discussed, and with the current position in Scotland, and Northern Ireland largely.
4. These powers or programmes are:
 - foreign policy;
 - defence (including security services and counter-terrorism);
 - immigration;
 - social security (excluding employment programmes, which we will discuss along with other powers relating to the economy); and
 - macroeconomic policies (including competition policy and financial regulation).
5. It is worth noting that there may be detailed issues which we will need to address in our 'wrap up' on inter-governmental relations sessions (for example, relations with the EU or defence decisions).
6. On social security in particular, it is worth noting that, while the evidence we received generally pointed against devolving social security, the following points are also relevant:
 - the Northern Ireland example shows that it is possible to devolve social security without incurring excessive financial risks. However our expert panel in February confirmed that there were no particular benefits in Northern Ireland from having a devolved system, given the parity principle. The NIE does however administer the system locally and it has been suggested (by Community Housing Cymru specifically) that this might be



beneficial in Wales by continuing to make payments of housing benefits to landlords rather than households as the UK Government propose;

- therefore, while we would not recommend devolving social security, there may be some merit not only in our promoting close intergovernmental consultation (such as on welfare reform) but also consideration of Wales-specific approaches where appropriate and agreed with the Welsh Government (mirroring some of our tax recommendations in Part I);
- this consideration may be particularly important where there are overlaps with devolved policies, such as care for the elderly or housing benefit; and
- in addition it is clear from our visit to Scotland that the devolution of at least some elements of the social security budget is being considered seriously. If this devolution happened after the referendum, it might be worth keeping an open mind on any possible read-across to Wales, while taking into account the different circumstances in Wales.

Devolved programmes where no substantial changes are recommended

7. There are a number of programmes where the evidence we have received and reviewed (written evidence, international evidence and previous reports) strongly suggests that the powers should remain at the Welsh Government level. This conclusion is also consistent with our agreed principles.
8. These include the following programmes:
 - culture;
 - agriculture;
 - education;
 - local government;
 - planning; and
 - housing.
9. However it should be noted that the Welsh Government, UK Government and others have suggested specific proposals in some of these areas for devolving more powers. These can be considered in our 'wrap up' meeting later in the year. In addition there are some areas where closer working between institutions has been suggested (such as science policy), which we can consider when we consider intergovernmental relations.

Conclusions

10. We would be grateful to know whether the Commission is content with:
 - the non-devolved areas which should remain non-devolved
 - the devolved areas which should remain devolved.

Commission Secretariat, March 2013