



Commission on Devolution in Wales
Comisiwn ar Ddatganoli yng Nghymru

Devolution in Wales: How can we improve it for business?



What is the Commission on Devolution?

- 2010 UK Coalition Agreement
- 2011 Commission was launched:

Part 1: Financial Accountability 'Empowerment and Responsibility'

Part 2: *To review the powers of the National Assembly for Wales in the light of experience and to recommend modifications to the present constitutional arrangements that would enable the United Kingdom Parliament and the National Assembly for Wales to better serve the people of Wales.*



Part I report

- Our Part I report was published last November
- Recommendations were very relevant to business – devolving some tax and borrowing powers to incentivise growth and increase fiscal choices
- HMG response



Our draft vision for Part II

- *We believe that the people of Wales will be best served by:*
- *a clear, well-founded devolution settlement that allows coherent political decisions to be made in a democratic and accountable manner, and*
- *political institutions that operate effectively and work together in the interests of the people they serve.*
- *Devolution of power to Wales should benefit the whole of Wales and the whole of the United Kingdom.*



What is devolved to Wales?

- Some policies already devolved – over 50 per cent of public spending in Wales
- Some not devolved
- And some are a mixture of both such as economic powers
- Illustrated in following slide.



Health and social care
Education
Local Government
Culture and sport
Environment
Agriculture

Economy
Transport
Energy

Defence
Foreign affairs
Police
Criminal Justice
Immigration
Broadcasting





What does evidence so far say?

- Some people prefer no change, some want to abolish Assembly, some want independence
- But many want more powers in areas such as policing, justice, rail, ports, natural resources and energy, broadcasting and others
- Following slides highlight some of the issues which may be particularly relevant to business.



Economic powers

- Some economic powers are devolved such as roads, training, economic development
- Some are not such as macroeconomic policy, competition policy, financial services regulation
- Is this split about right?
- Should more be devolved such as DWP employment programmes? Or fewer?



Other related powers

- Some have suggested devolving other economy related powers such as ports and rail; renewable energy such as large windfarm consents;
- And other issues on which business may have a view such as policing and justice.



Structure of devolution settlement

- Business needs certainty in order to operate and invest
- Many find the structure of Welsh devolution settlement unclear
- Presently UK Parliament confers powers on Welsh Assembly
- In Scotland and Northern Ireland, UK Parliament reserves powers to itself
- Scottish and NI settlements simpler and clearer?
- Does business have any other concerns about the way legislation is made for Wales?



Other ways of improving devolution

Welsh Conservative Group: “Commission should consider how devolved competencies in Wales can be best communicated to the people of Wales to enhance grassroots understanding of devolution and where key decisions which affect people's day-to-day lives are made.”

True Wales: “The lack of a devolution dividend over 13 years suggests that the political class in Wales needs to focus on using the extensive powers it already has to focus most specifically on the economy, health and education.”

Welsh Liberal Democrats: “Commission would need to examine how to improve the capacity of the Welsh government and the civil service to implement new policy changes and of the National Assembly for Wales to scrutinise legislation and financial policy.”



How else can the devolution settlement be improved for business?

- Are the two Governments sufficiently joined up on economic policy , for example, a single Wales economic plan?
- Are the two Governments good at communicating and responding to business? Does devolution increase accessibility?
- Is devolution helping to rebalance the economy to strengthen the private sector?



| Over to you....