

Wales Office



Annual Report 2008



Annual Report by the Wales Office

Presented to Parliament by the Secretary of State for Wales
By Command of Her Majesty
May 2008

This document is part of a series of Departmental Reports which, along with the Main Estimates 2008-09, the document Public Expenditure Statistical Analyses 2008 and the Supplementary Budgetary Information 2008-09, present the Government's expenditure plans for 2008-09, and comparative outturn data for prior years.

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Foreword

By the Secretary of State for Wales



This is the fourth annual report that I present to Parliament as Secretary of State for Wales – but my first since 2002.

When I left the Wales Office to become Secretary of State for Northern Ireland, devolution had been up and running for just three years. Good progress had been made but there was still some way to go before a complete acceptance of the system.

In January this year, when the Prime Minister asked me to return to the Wales Office, the National Assembly for Wales was in its third term and we had already celebrated the 10th anniversary of the historic Welsh vote for devolution.

Since my return people have repeatedly asked if I have noticed any changes. The answer is a resounding ‘yes’.

There are now 130,000 more people in employment than in 1997. We have 1000 more police officers in Wales, and nearly 700 new community support officers. We have more doctors and nurses in our hospitals, and more teachers and teaching assistants in our schools. Waiting-times for NHS treatment are shorter, education standards have risen, and crime levels have fallen.

Parliament is now handing on new powers to an Assembly whose role has been reformed and enhanced by the new Government of Wales Act 2006. And what the Wales Office was dealing with then is very different from what it now has to do.

In 2002 we were taking primary legislation through Parliament and most years this resulted in just one Bill specifically for Wales. Compare that to the current Session where we have three Bills containing new Framework Powers and you can already see the difference devolution is having for Wales.

It’s been a busy time for the Wales Office – and getting busier. And that, of course, is just part of the story.

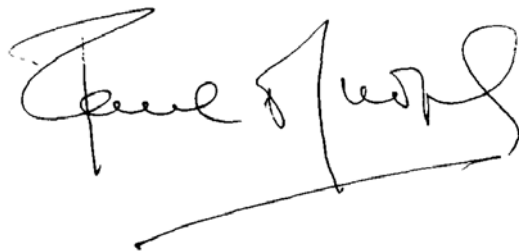
April 9 was a historic day for Wales when the first Order in Council conferring legislative competence on the National Assembly for Wales was approved by the Queen at a meeting of the Privy Council.

Through both the Order in Council and Framework Power processes it is now possible that in this session the National Assembly will be granted the authority to pass legislation in up to nine areas – nine times more than before the 2006 Act. This is a clear sign that devolution is working.

I take this opportunity to pay tribute to my predecessor Peter Hain for delivering the Government of Wales Act, supported by the then Parliamentary Under Secretary of State Nick Ainger. Both worked tirelessly during their times at the Wales Office to make devolution work for Wales and the rest of the UK.

Today we must always remember that devolution is not an abstract principle, divorced from the delivery of services – it is about better governance. It is about genuine partnership between our Government in Westminster, the Assembly Government in Cardiff Bay and our local authority colleagues in their respective council chambers.

Devolution is all about better services and tackling social injustice – working together to get results for the people of Wales. I'm proud the Wales Office will continue to play a pivotal role in this success story, helping to change people's lives for the better now and in the future.

A handwritten signature in black ink, appearing to read 'Paul Murphy'. The signature is written in a cursive style with a long horizontal line extending from the bottom of the name.

Rt Hon Paul Murphy MP

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Chapter 1



Who we are
and what
we do

Chapter 1: Who we are and what we do

1.1 Ministerial Responsibilities



Secretary of State for Wales
The Rt Hon Paul Murphy MP

Overall strategic direction, Assembly liaison, Constitutional issues, Government of Wales Act powers (including Assembly elections), Finance, Europe, Economic Development, Public Appointments, Environment, Welsh Heritage and Royal matters.

In addition, the Secretary of State:

- is the Minister responsible for digital inclusion;
- chairs the new Cabinet Committee on Personal Data Security;
- chairs the Cabinet Committee on Local Government and the Regions;
- oversees the British Irish Council;
- oversees the Joint Ministerial Committee on Devolution.



Parliamentary Under Secretary of State for Wales
Huw Irranca-Davies MP

Regional Development, Social Services, Housing, Health, Education and Training, Transport, Agriculture, Information Age Government, Local Government, Crime Prevention, Women's issues and Green issues.

The Parliamentary Under Secretary of State also supports the Secretary of State on digital inclusion issues.



Baroness Morgan
of Drefelin, Wales
Office spokesperson
in the House of Lords



Wayne David MP
Government Whip
with responsibilities
for Welsh MPs

1.2 The Work of Wales Office Ministers

Wales Office Ministers represent Welsh interests within Government by sitting on 22 Cabinet committees, and on the Joint Ministerial Committees. The Secretary of State also chairs three Cabinet Committees, and is the Minister responsible for digital inclusion, as well as overseeing the British Irish Council and the Joint Ministerial Committees.

They work closely with Assembly Ministers. The Secretary of State and the First Minister meet regularly, and the Parliamentary Under Secretary has regular discussions with Assembly Ministers. The Secretary of State consults the full Assembly on the Government's legislative programme, and Ministers also meet Assembly Committees on specific issues.

In addition to the legislative work, Ministers have been engaged in a substantial programme of other Parliamentary work in the course of the year. This included eight sessions of Welsh Questions, two Welsh Grand Committees, giving evidence to Parliamentary Committees including the Welsh Affairs and Justice Committees, a St. David's Day Debate and one Adjournment Debate in Westminster Hall.

Both Ministers also undertake a busy programme of meetings, visits and functions with a wide range of organisations in Wales. Specific examples are referred to throughout this report.



The Rt Hon Peter Hain MP (left) and Nick Ainger MP (right)

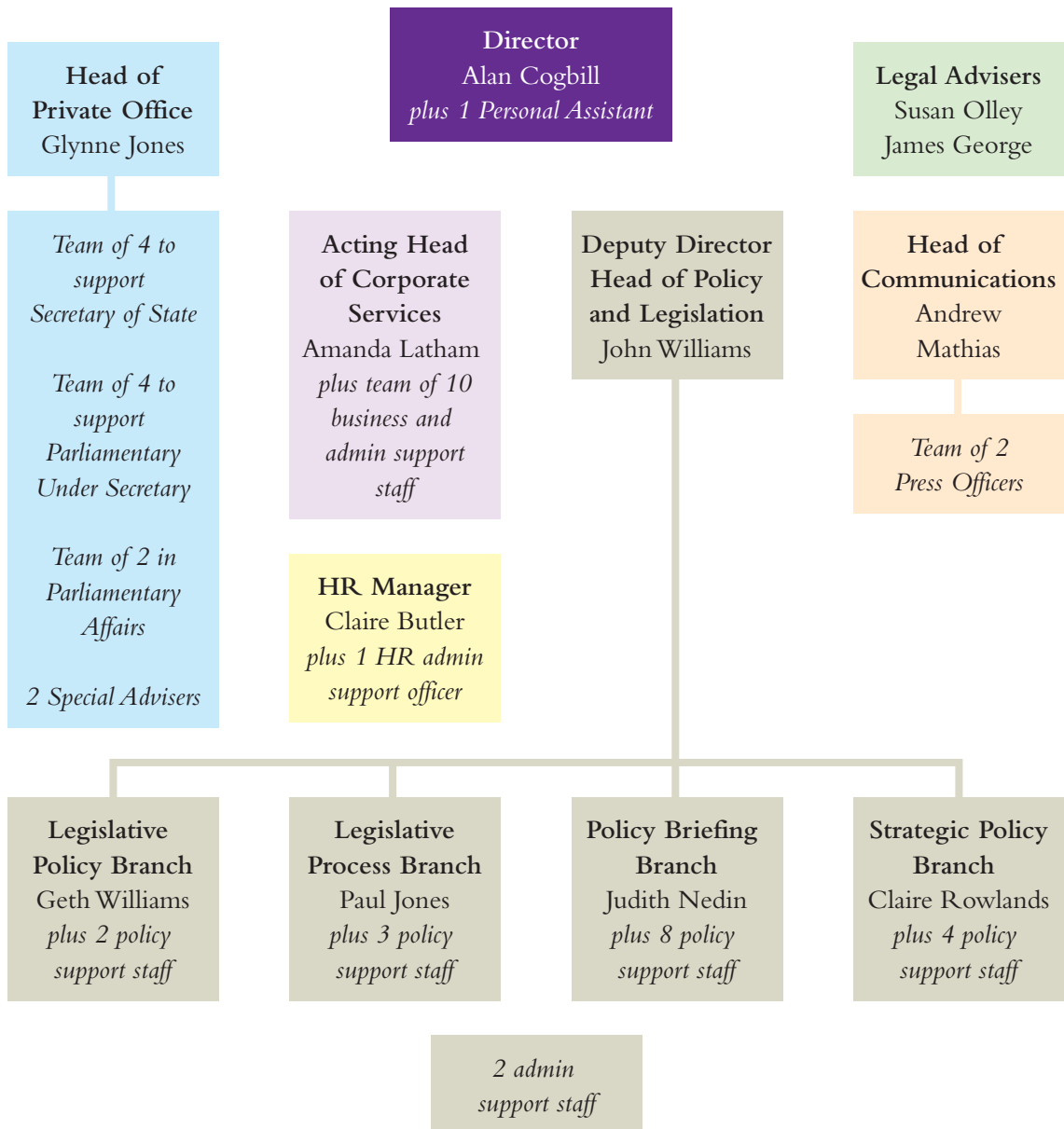
Until 24 January 2008 Peter Hain was Secretary of State for Wales.

Until 29 June 2007 Nick Ainger was Parliamentary Under Secretary of State for Wales and, Huw Irranca-Davies was the Government Whip with responsibilities for Welsh MPs.

1.3 Divisional Responsibilities



Left to right: Amanda Latham, Judith Nedin, Claire Rowlands, Claire Butler, Alan Cogbill, John Williams, James George, Glynne Jones, Andrew Mathias, Paul Jones, Sue Olley



1.4 Key Achievements 2007-08

Established in 1999, the Wales Office supports the Secretary of State for Wales in ensuring the smooth working of the devolution settlement in Wales, and representing Welsh interests within the UK Government and the UK Government in Wales, as well as being Wales' voice in Westminster and Westminster's voice in Wales.

The Wales Office is responsible for handling of Welsh legislation in Parliament, and accounting to Parliament for Welsh affairs. Working closely with the Welsh Assembly Government and Ministry of Justice, it ensures effective transmission of the cash grant to, and receipts from, the Welsh Consolidated Fund. It also undertakes certain reserved functions for Wales.

In the last reporting year we have witnessed the creation of a new style National Assembly in Wales following the 2007 Assembly Elections with new governance structures and the mechanisms in place for the Assembly be given the competence to pass Assembly Measures, a new type of legislation specific to Wales. This is a significant achievement and a key focus for the Wales Office over the last 12 months has been to ensure the smooth running of the new constitutional and legislative arrangements in Wales. Significant progress has been made and is detailed below and articulated further in Chapter 2.

Orders made following the Government of Wales Act 2006:

- The National Assembly for Wales Commission (Crown Status) Order 2007;
- The National Assembly for Wales (Transfer of Property, Rights and Liabilities) Order 2007;
- The National Assembly for Wales (Transfer of Staff to Assembly Commission Scheme) Order 2007;
- The Government of Wales Act 2006 (Transitional Provisions) (Assembly General Subordinate Legislation) Order 2007;
- The National Assembly for Wales (Diversion of Functions) Order 2007;
- The Government of Wales Act 2006 (Transitional Provisions) Order 2007;
- The Government of Wales Act 2006 (Local Government (Contracts) Act 1997) (Modifications) Order 2007;
- The Government of Wales Act (Consequential Modifications and Transitional Provisions) Order 2007;
- The National Assembly for Wales Commission (Crown Status) (No. 2) Order 2007; and
- National Assembly for Wales (Legislative Competence) (Amendment of Schedule 7 to the Government of Wales Act 2006) Order 2007.

Further Achievements:

- Published the revised Devolution Guidance Note 9 in relation to the Government of Wales Act 2006;
- The Secretary of State sought the views of the public on the Government's draft legislative programme in September 2007; and
- The Secretary of State addressed the National Assembly for Wales following the Queen's Speech in November 2007.

The Wales Office has continued to work closely with the UK and Welsh Assembly Governments to ensure Welsh interests are reflected in the UK legislative programme (see Annex 1).

The Wales Office has played a key role in facilitating discussions between the UK Government and the Welsh Assembly Government, and in briefing Members of Parliament, on proposals conferring legislative competence on the National Assembly for Wales. These proposals are set out in the following Orders in Council (Legislative Competence Orders) and Framework Powers in UK Bills:

Orders in Council

The National Assembly for Wales (Legislative Competence) (Education and Training) Order 2008 was made on 9 April 2008. It confers competence on the National Assembly for Wales to legislate on education and training for those with additional learning needs.

An Order relating to Domiciliary Care has completed pre-legislative scrutiny, and an Order relating to Vulnerable Children has been referred to Parliament for pre-legislative scrutiny.

The UK Government and Welsh Assembly Government are currently working on two proposed Orders covering Affordable Housing and Environmental Protection and Waste Management.

The UK Government is also considering two proposed Orders put forward by Assembly Members on Mental Health and Fire Sprinklers.

Framework Powers

Framework Powers were contained in the Further Education and Training Act 2007 and Local Government and Public Involvement in Health Act 2007 (2006/07 Session), which are now on the statute book.

Framework Powers are included in three Parliamentary Bills in the 2007/08 session:

- Local Transport Bill;
- Education and Skills Bill; and
- Planning Bill.

The Wales Office has continued to contribute significantly to the promotion of Welsh opinion and co-ordination of policy and to the wider promotion of the economic social, political and cultural interests of Wales. This work is covered within our Objectives in Chapter 4.

Chapter 2



Constitution and Legislation

Chapter 2: Constitution and Legislation

2.1 New Constitutional Framework for Wales

The Government of Wales Act 2006 came fully into effect in May 2007.

Parts 1 and 2 of the Act brought about the creation of a separate legislature, the National Assembly for Wales, and executive, the Welsh Assembly Government. The First Minister was nominated in May 2007 by the National Assembly for Wales and appointed by the Queen. The first appointment to the new post of Counsel General was made by the Queen, on the recommendation of the First Minister, in 2007. The May 2007 Assembly Elections also saw the new electoral arrangements introduced by the Act used for the first time.

Part 3 of the 2006 Act developed the devolution settlement in Wales with provisions for new legislative powers for the National Assembly for Wales. The Assembly may now be given the competence to pass Assembly Measures, a new type of legislation specific to Wales. Legislative competence can be conferred by UK Bills or via a new Order in Council process under section 95 of the 2006 Act. Part 4 of the Act also puts on the statute book full primary powers for the Assembly in devolved areas, which would take effect following a referendum result in favour.

2.2 Subordinate Legislation Implementing the 2006 Act

As explained in the 2007 Annual Report, the implementation of the Government of Wales Act 2006 has required a significant number of statutory instruments. Many of the necessary orders foreshadowed in the 2007 Annual Report were made early in 2007-08. The following orders which were made during 2007-08 either were not listed in the 2007 Annual Report or were made with different names from those foreshadowed in that Report:

- The Government of Wales Act 2006 (Transitional Provisions) (Assembly General Subordinate Legislation) Order 2007;
- The Government of Wales Act 2006 (Transitional Provisions) Order 2007;
- The National Assembly for Wales Commission (Crown Status) (No. 2) Order 2007; and
- The National Assembly for Wales (Diversion of Functions) (No. 2) Order 2007.

The work of preparing these orders was mainly undertaken during the year 2006-07. Orders which involved significant work for the Wales Office during 2007-08 included the National Assembly for Wales (Legislative Competence) (Amendment of Schedule 7 to the Government of Wales Act 2006) Order 2007.

The Wales Office also continues to work with the Welsh Assembly Government on a number of further orders which follow the 2006 Act, which will be made during 2008-09.

2.3 Executive Devolution to the Welsh Ministers

The 1998 Act created one corporate body, the National Assembly for Wales, to which executive functions were transferred by either transfer of functions orders or provisions in Acts of Parliament. The great majority of these functions, which include the power to make subordinate legislation, have been transferred to the Welsh Ministers by the operation of the 2006 Act. Functions will continue to be transferred to Welsh Ministers by the same legislative mechanisms.

No transfer of functions orders were made during 2007-08, but the Wales Office has been engaged in discussions with the Welsh Assembly Government and UK Government departments about future transfers of functions, and it is expected that at least one order will be made during 2008-09.

Primary legislation continues to confer new functions on the Assembly Ministers, and information about provisions in Acts and Bills dealing with devolved functions is set out below.

2.4 Law Making Powers for the National Assembly for Wales

The Government of Wales Act 2006 creates a new type of legislative instrument – Assembly Measures – which will be subject to full National Assembly for Wales scrutiny comparable to that of primary legislation at Westminster.

Measures must fall within the Assembly's legislative competence, which is chiefly defined by reference to the matters listed in Schedule 5 to the Government of Wales Act 2006. Matters may be inserted in 20 broad fields, corresponding to the areas where the Assembly Ministers exercise executive functions, such as housing, education and training and the Welsh language. Matters may be inserted by either Framework Powers in Acts of Parliament or Orders in Council under section 95 of the 2006 Act, but Schedule 5 will set out the Assembly's powers to enact Measures in one place, regardless of which method has been used to confer those powers. An updated version of Schedule 5 is available on line at;

<http://www.assemblywales.org/bus-home/buslegislation.htm>.

Information about the Wales Office's work in connection with the conferral of legislative competence on the Assembly is set out below.

The conferral of legislative competence by Framework Powers and Orders in Council does not in itself change the substantive law for Wales. The detailed changes to the law will be made by any Measure, which the Assembly subsequently passes.

The Attorney General may refer the question of whether a proposed Measure is within the Assembly's legislative competence to the Privy Council, and the Secretary of State may intervene to prevent a Measure being made in certain limited circumstances. The Wales Office, together with the Attorney General's Office, performs the role of advising on the exercise of these powers, and has worked with the Attorney General's Office to develop monitoring procedures for proposed Measures.

2.5 The UK Government's Legislative Programme

In the 2006-07 Session, Parliament passed 11 Acts with specific provisions or implications for Wales, details of which are at Annex 1. The 2007-08 Session of Parliament also has 11 Government Bills along with three Draft Bills with specific implications for Wales; details are at Annex 2. Wales Office Ministers and officials have been actively engaged in discussions about these provisions.

The Wales Office plays a key role in facilitating discussions between UK and Welsh Assembly Governments to ensure Welsh interests are reflected in the programme. General guidance for UK Government departments on the handling of Bills which affect the responsibilities of the Welsh Ministers or the National Assembly is set out in Devolution Guidance Note 9. In discussion with the Welsh Assembly Government and UK Government departments, the Wales Office prepared a revised DGN 9, reflecting the new settlement under the Government of Wales Act 2006, which was published in June 2007.

The Government continues to develop its 2008-09 legislative programme. In 2007 the Government published its legislative programme in draft for the first time. The Wales Office actively sought the views of the people of Wales on the draft programme by writing to stakeholders across Wales and promoting the draft programme on our website. We received 18 responses in total, which were fed into the wider consultation run by the Cabinet Office. The Government will publish its programme in draft again this year and the Wales Office will look to seek the views of the people of Wales again on this important issue.

Executive Devolution

Since May 2007, primary legislation covering England and Wales has continued to make specific provision for Wales where appropriate, which has included conferring new functions on the Welsh Ministers. The Wales Office engages with UK Bill teams and the Welsh Assembly Government to ensure that Welsh elements are taken into account and are addressed appropriately in the light of the new constitutional arrangements under the Government of Wales Act 2006.

A number of Acts passed in the 2006-07 Session created significant new powers for the Welsh Ministers, or made significant modifications to their existing powers. These included the Further Education and Training Act 2007, the Local Government and Public Involvement in Health Act 2007 and the Mental Health Act 2007. Wales Office Ministers led the debates in the Commons on the Further Education and Training Bill. Wales Office officials contributed to briefing and supported Ministers on this and other Bills.

In the 2007-08 Session, Bills which will confer significant new powers on the Welsh Ministers or modify their existing powers include the Children and Young Persons Bill, Climate Change Bill, Dormant Bank and Building Society Accounts Bill, Education and Skills Bill, Health and Social Care Bill, Housing and Regeneration Bill, Planning Bill and Regulatory Enforcement and Sanctions Bill. Three draft Bills have also been published in this Session which will confer powers on the Welsh Ministers: the Draft Marine Bill, Draft Cultural Property (Armed Conflicts) Bill and Draft Heritage Protection Bill all have implications for Wales.

Framework Powers

Framework Powers are provisions in UK Acts which insert matters into Schedule 5 to the 2006 Act. During 2007-08, Wales Office Ministers and officials have undertaken significant work to develop the process for scrutinising Framework Powers and to deliver the Framework Powers included in Bills in the 2007-08 Parliamentary Session.

When a Bill is introduced in Parliament all proposed Framework Powers will be accompanied by an explanatory memorandum setting out the background of existing executive and legislative provisions relating to Wales and the relevant context of policy review and development. The explanatory memorandum will be drafted by the Welsh Assembly Government, in a format which has been agreed with the Wales Office.

Parliament will scrutinise Framework Powers in Bills in the same manner as for other provisions in primary legislation. During his evidence session with the Welsh Affairs Select Committee on Tuesday 10 July 2007, the Secretary of State made a commitment that, where a Bill contains Framework Powers, briefing sessions on the relevant clauses should be offered to members of both Houses of Parliament. The relevant Welsh Assembly Government Minister and the Wales Office Minister would organise and attend these sessions, accompanied by officials, to explain the proposals to colleagues.

In the 2006-07 Session, Parliament passed two Acts which contained Framework Powers: the Further Education and Training Act 2007 and the Local Government and Public Involvement in Health Act 2007.

The Secretary of State informed colleagues on Tuesday 6 November 2007 by way of a Written Ministerial Statement that in the 2007-08 Session three Bills would contain Framework Powers. These are the Education and Skills Bill, Local Transport Bill and Planning Bill.

Wales Office Ministers and officials have worked closely with the UK and Welsh Assembly Governments to facilitate discussions and secure Welsh provisions in Parliamentary Bills. They have been involved in the preparation of explanatory memoranda to accompany Framework Powers and attended briefing sessions for MPs and Peers on the Framework Powers in Bills. The Wales Office spokesperson in the Lords led the debate on the framework clause in the Local Transport Bill.

2.6 Orders in Council under section 95 of the 2006 Act

Orders in Council under section 95 of the 2006 Act are the alternative legislative vehicle to insert matters into fields in Schedule 5 to the 2006 Act, thus conferring legislative competence in them. Orders in Council are subject to pre-legislative scrutiny in Parliament and the National Assembly for Wales. They are also debated in both Houses of Parliament before being approved.

Wales Office Ministers and officials have done considerable work developing the process for Orders in Council under section 95, in discussion with the Welsh Assembly Government and UK Government departments. The Wales Office is preparing Devolution Guidance Note 16. This will be published in 2008-09 and will set out guidance for UK Government departments on the principles and process relevant to Orders in Council.

The Wales Office co-ordinates the UK Government's consideration of proposed Orders in Council and its discussions with the Welsh Assembly Government. It is also responsible for seeking collective agreement to proposed Orders once those discussions have taken place. Wales Office Ministers and officials then take proposed Orders in Council through pre-legislative scrutiny in Parliament and through the Parliamentary debates on the final draft Orders.

Welsh Assembly Government Legislative Programme June 2007

On 6 June 2007, First Minister Rhodri Morgan outlined the Welsh Assembly Government's legislative programme of six proposed Orders in Council. The purpose of each is outlined below.

Additional Learning Needs

This Order in Council gives the National Assembly competence to legislate in relation to people in education or training with Additional Learning Needs. It will enable the Assembly to implement the recommendations of its Education, Lifelong Learning and Skills Committee on special educational needs provision in Wales. The National Assembly for Wales debated the draft Order in Council on 5 February 2008, and it was debated in the House of Lords on 12 March and in the House of Commons on 18 March. It went forward to the Privy Council on 9 April, and came into force on 10 April 2008. It is the first such Order made.

Environmental Protection & Waste Management

This Order in Council would give the National Assembly competence to legislate in Wales on the collection and disposal of waste, and on environmental issues, such as nuisances. Constructive discussions between the Welsh Assembly Government and the UK Government, on the scope and content of this Order, are ongoing.

Vulnerable Children

This Order in Council would give the National Assembly competence to legislate in relation to vulnerable children, looked-after children and child poverty. This would enable the Welsh Assembly Government to bring forward legislation to consolidate the existing statute book on vulnerable children and legislate in relation to public bodies' role in this area. This draft Order in Council is currently being scrutinised by the Commons Welsh Affairs Select Committee and the National Assembly.

Affordable Housing

This Order in Council would give the National Assembly competence to legislate in relation to the Right to Buy and Right to Acquire schemes. The UK Government continues to discuss this proposal with the Welsh Assembly Government.

Domiciliary Care

This Order in Council extends the competence of the National Assembly to legislate in relation to charging by local authorities for non-residential social care. This would enable the Welsh Assembly Government to introduce a more uniform approach to charging for home care and other non-residential social services in Wales.

Joint pre-legislative scrutiny of this draft Order by both the Commons Welsh Affairs Select Committee and the National Assembly commenced on 17 January 2008. The Commons Welsh Affairs Select Committee reported its findings on 5 March 2008, and the National Assembly reported on 14 March.

Welsh Language

The National Assembly will be seeking legislative competence in relation to the Welsh Language. The UK Government is currently in discussions on this proposal with the Welsh Assembly Government.

2.7 Devolution Awareness Raising

Seminars

Wales Office officials continue working closely with Cabinet Office, Ministry of Justice and other territorial offices to deliver a programme of seminars across UK Government Departments. These seminars are designed to promote devolution awareness and understanding of the settlements across the UK Government.

Wales Office lawyers participate in delivering devolution training to lawyers in the Government Legal Service.

Devolution Guidance Notes

Wales Office officials continue to advise UK Government Departments on devolution issues on a case by case basis; this complements the information available for officials in the devolution guidance notes. The devolution guidance notes (DGNs) set out working arrangements between the UK government and the devolved administrations, and are an introduction to the main principles involved in managing the devolution settlements, bilateral relations, correspondence, Parliamentary business, legislation and concordats. The relevant DGNs are available on the Ministry of Justice website:

DGN 1 – Common Working Arrangements

<http://www.justice.gov.uk/guidance/devolutionguidancenotes.htm#one>

DGN 4 – Role of the Secretary of State for Wales

<http://www.justice.gov.uk/guidance/devolutionguidancenotes.htm#four>

DGN 9 – Post-Devolution Primary Legislation affecting Wales

<http://www.justice.gov.uk/guidance/devolutionguidancenotes.htm#nine>

Legislation section of the Wales Office website:

- The Wales Office website contains information on the most up-to-date legislation affecting Wales, including:
- UK Bills and Acts;
- Orders in Council and Schedule 5 of the Government of Wales Act 2006;
- Assembly Measures;
- Transfer of Functions Orders; and
- Other statutory instruments relating to the Government of Wales Act 2006.

Chapter 3



Promoting
Wales

Chapter 3: Promoting Wales

The responsibilities and commitments of the Wales Office and its Ministers extend well beyond setting and maintaining the legislative and constitutional process and framework, and include efforts to promote Wales at all levels, including economic and cultural.

The Secretary of State and Minister travel far beyond Westminster and Cardiff Bay to promote the economy, environment, communities and culture of Wales. They undertake frequent visits to engage with people, promote Wales and discuss ways of improving the everyday lives of the people of Wales.

During the past 12 months a wide variety of visits to many areas of Wales have been undertaken.

3.1 Promoting Economy and Investment

Over the past year Wales has continued to develop a strong economy with levels of unemployment continuing to fall.

In June, Secretary of State for Wales Peter Hain took advantage of the new North to South Wales air link to see how Maes Awyr Môn is boosting the economy of Anglesey.

Whilst in North Wales he also saw how UPM Shotton paper mill in Flintshire is continuing to invest in their business with the opening of a £50m renewable energy plant.

The past year has continued to see the creative industries grow in Wales. In October the Secretary of State visited the BBC Wales studios at Treforest to watch filming of the new series of Dr Who, starring David Tennant and Catherine Tate. Top-quality programmes such as Dr Who, Torchwood and The Sarah Jane Adventures have become international hits and make a significant contribution to the Welsh economy, as well as attracting many visitors to Wales.

In February, new Secretary of State for Wales Paul Murphy helped to build Welsh links with China by officially opening the Confucius Institute at Cardiff University. The educational and business links forged by the Confucius Institute will help the relationship between Wales and China continue to grow and strengthen in the coming years benefiting both countries.

Paul Murphy during a visit to Yale College, Wrexham



Peter Hain visiting Anglesey Airport

Paul Murphy meeting Welsh soldiers at
General Dynamics, Newbridge



Peter Hain visiting UPM Shotton
Paper Mill, Flintshire



This year Mr Murphy has also seen how a South Wales-based company is making a difference to the lives of frontline soldiers. During a visit to General Dynamics, Mr Murphy met with soldiers who have served in Iraq and used the Bowman Communications Kit, integrated by General Dynamics, when they were on the frontline.

In April, Wales Office Minister Huw Irranca-Davies undertook a three-day North to South tour to see the contribution that defence services are making to Wales. The tour also marked the 90th anniversary of the Royal Air Force and the 100th anniversary of the Territorial Army in Wales. Starting at RAF Valley on Anglesey, the Minister completed the itinerary by addressing TA soldiers at Cardiff's Maindy Barracks. In between he visited a range of defence bases and training centres, including RAF Force Development Training Centre (FDTC) at Crickhowell and the Army's 160 (Wales) Brigade Headquarters at Brecon.

The foundation of any economy is dependent on education and training. In February, the Secretary of State paid a visit to Yale College in Wrexham. There he visited the Engineering and Construction centre where he met with engineering students who hope to benefit from the increase of highly-skilled local engineering jobs.

3.2 Promoting Communities

Tackling crime and anti-social behaviour has continued to be a priority for the Government. During 2007 and 2008 the Secretary of State for Wales and Wales Office Minister visited people and projects making a difference to their local areas across Wales.

In Conwy, Secretary of State for Wales Paul Murphy met with the Conwy Community Safety Partnership team who have helped to reduce domestic burglaries, resulting in fewer than 600 burglaries a year. He also met with one of the team who was recently given a Government Respect Award in recognition of his work with the scheme.

In South Wales, Wales Office Minister Huw Irranca-Davies marked the Home Office's 'Not In My Neighbourhood Week' by joining Police Community Support Officers (PCSOs) and an Estate Ranger on their foot patrol in Neath. By creating a visible and accessible service on the streets the Community Safety Team have helped to reduce anti-social behaviour and make people feel safer in their local area.



Huw Irranca-Davies with PCSOs and
Estate Ranger in Neath



Huw Irranca-Davies at Cefn Glas Sheltered Housing Complex, Blackwood

The Cefn Glas Sheltered Housing scheme was visited by the Minister last year where he met with residents and toured the award-winning complex. The scheme includes an indoor village with 42 self-contained flats clustered around a central covered atrium. The success of the scheme has meant that some residents, who were receiving 24-hour specialist care before coming to Cefn Glas, have now become more independent and have taken on individual responsibilities within the complex.

The Minister also met the Ceredigion Community Safety Partnership, who showed him how their alcohol-free zone was reducing crime in the centre of Aberystwyth. Since its inception in 2005, alcohol-related crime and noise incidents have been reduced by 15 per cent with anti-social nuisance falling by 10 per cent.

Throughout the year the Minister has also attended the quarterly National Policing Board meetings to represent Welsh interests.

3.3 Promoting Environment

As the environment, especially the threat of global warming, continues to be an important issue for the Government, Wales is fast emerging as a world leader in renewable energy.

In October last year, the Sustainable Development Commission published their report *Tidal Power in the UK* which backed a feasibility study into a proposed Severn Barrage. Secretary of State for Wales Peter Hain took a boat trip in the Bristol Channel to the proposed site to see for himself the potential of a barrage.

The Severn Barrage is the biggest renewable energy-generating project by far in the UK and one of the biggest in the world. It is a trailblazer for clean, green energy unparalleled in scale, potentially generating five per cent of the UK's electricity from renewable sources and lasting for 150 years.



Peter Hain visiting the site of the proposed Severn Barrage



Paul Murphy visiting Crest Co-operative, Llandudno

Peter Hain at Tower Colliery

Last year saw the opening of Aberpergwm colliery in the Neath Valley. The opening of the mine could pave the way for a renaissance in new clean-green coal production in the Welsh Valleys. The beginning of 2008 also saw the end of deep-mine coal mining in South Wales with the closure of Tower Colliery. The Secretary of State visited Tower on the final day of production where he was told more than 60 miners and equipment from Tower would be transferred to Aberpergwm.



One Welsh company producing renewable fuel is Sundance Renewables in Llanelli. During a visit to its chemical plant Wales Office Minister Huw Irranca-Davies was shown how it creates renewable fuel from locally-sourced used vegetable oil. Sundance Renewables are currently in the process of constructing a new biodiesel plant that will increase its production capacity from 1,500 litres to 10,000 litres.



Huw Irranca-Davies visiting Sundance Renewables, Llanelli

In February, Secretary of State Paul Murphy made a visit to one of Wales' leading social sector companies. Crest Co-operative in Llandudno is making a difference to the lives of disadvantaged people in Conwy by providing support, training and work experience. The company, which started in 1998, has grown and now runs three social enterprises in North Wales, including the 'Against the Grain' wood recycling scheme which is based at its head office in Llandudno Junction.

3.4 Promoting Tourism

With tourism in Wales constantly developing and adapting, Secretary of State for Wales Paul Murphy took the opportunity to visit Bluestone, a major holiday park and tourist attraction due to open later this year in Pembrokeshire.

The £100million Bluestone development will bring between 400-700 jobs and a £35million a year boost to the local area.

While in Pembrokeshire, the Secretary of State also visited the St Brides Hotel, another example of the changing face of the tourism industry in Wales. The hotel has been transformed to become West Wales' first luxury spa hotel.

In September, Wales Office Minister Huw Irranca-Davies visited Carmarthenshire to see the regeneration of Burry Port Harbour. Work is taking place to expand the marina to 500-berth for boats and watersports enthusiasts.

Huw Irranca-Davies at Burry Port Harbour



Paul Murphy viewing plans at Bluestone, Pembrokeshire



In October, he also visited the Pontcysyllte Aqueduct in Llangollen.

The aqueduct was nominated by the UK for United Nations Educational Scientific and Cultural Organisation (UNESCO) World Heritage Site status in October 2006. This would put the aqueduct on the world stage and has the potential to increase visitor numbers and benefit the local economy.

While in Llangollen, the Minister took a tour of adventure holiday organiser ProAdventure's facilities, which range from rock climbing to open canoeing. The Centre encourages visitors to get out and enjoy rural and coastal Wales.

3.5 Promoting Culture, Heritage and Sport

Wales Office Minister Huw Irranca-Davies visited Llangollen in July to attend the Llangollen International Musical Eisteddfod. The annual event sees Wales promoting its own culture to competitors from around the world.

In August, the Minister was in Caerphilly to visit the town's main attraction, Caerphilly Castle. The castle is not only used for tours, it can also host receptions and was at the time being used as a set for a BBC children's programme.



Huw Irranca-Davies at Pontcysyllte Aqueduct



Huw Irranca-Davies abseiling with ProAdventure, Llangollen

Over the past year the Secretary of State and Minister have attended several events in north and south Wales to mark the bicentenary of the Abolition of the Slave Trade Act. 12,000 booklets produced by the Wales Office containing information on Welsh links with the slave trade were distributed to schools, colleges, libraries, museums and interested groups across Wales.

Meanwhile, Wales' sporting success was boosted this year when the Welsh rugby team won the Six Nations Grand Slam for the second time in four years and Cardiff City FC made it to the FA Cup Final for the first time in 81 years.

Wales is a player in many areas of sport. With the announcement earlier this year of the prospective training camps for the 2012 London Olympics, the Minister has visited two of the camps based in Wales. Ffos Las racecourse near Llanelli has been recommended as an equestrian training centre with some of the most up-to-date equestrian facilities in the UK. Meanwhile Holyhead Weightlifting Centre, which hopes to become a Centre of Excellence in the next 12 months, has also been recommended as an Olympic training venue.

Wales is currently also preparing to host the 2010 Ryder Cup. During September, the Minister visited the award-winning Machynys Golf Club in Llanelli. Machynys offers coaching to all ages and has linked with other golf courses across Wales to offer holiday packages for golfers.

In September, the Minister also visited the National Watersports Centre in Plas Menai. Since the centre first opened in 1978 the range of activities on offer have increased year-on-year and are accessible to all.



Huw Irranca-Davies
visiting Caerphilly
Castle



Huw Irranca-Davies viewing facilities at the
National Watersports Centre, Plas Menai



Peter Hain with Joe Calzaghe on the day they became
ambassadors for Welsh Children's Cancer Charity for Wales
LATCH

Chapter 4



Objectives and Delivery

Chapter 4: Objectives and Delivery

Looking Forward: Aims and Objectives for 2008-09

The Wales Office aims and objectives for 2008-09 have been revised to clarify the range of work. The Wales Office intends to review its aims and objectives annually, to ensure that they are properly aligned with the balance of work facing the Office in subsequent years. The review will also recognise that the work of the Office is changing over time, to reflect the developing devolution settlement for Wales.

4.1 Aims

To support the Secretary of State in representing Wales in the UK Government, representing the UK Government in Wales, and ensuring that the new constitutional settlement for Wales operates smoothly and effectively.

4.2 Objectives

Objective 1 – Constitution & Parliament

To maintain and improve the devolution settlement by:

- Ensuring that the changes to the constitutional settlement, which flow from the Government of Wales Act 2006, are operated smoothly;
- Being responsible for the enhancement of the legislative competence of the Assembly through the inclusion of Framework Powers in appropriate UK Bills and the passage of Orders in Council through Parliament, working with Welsh Assembly Government, National Assembly for Wales and other UK Government Departments;
- Assisting the UK Government to ensure that the interests of Wales are reflected in UK Parliamentary Bills;
- Supporting the passage through Parliament of transfer of functions and other orders required by the devolution settlement;
- Monitoring Assembly Measures to ensure that they are within the legislative competence of the Assembly and enable the Secretary of State to decide whether to exercise his powers of intervention; and
- Enabling the Secretary of State and the Minister in the House of Commons, and Government spokespeople in the House of Lords, to respond to Parliamentary interests in Welsh affairs.

Objective 2 – Government

To maintain effective working relationships with the National Assembly for Wales and Welsh Assembly Government by:

- Fostering partnership working between the devolved administration in Wales and the UK Government, and with the other devolved administrations;
- Ensuring that Welsh interests are fully taken into account in non-devolved functions and in policy areas which cut across the responsibilities of both the UK Government and the Welsh Assembly Government;
- Keeping under review with HM Treasury and Welsh Assembly Government the operation of the Statement of Funding Policy for the devolved administrations, as it applies to Wales; and
- Working closely with the Welsh Assembly Government and Ministry of Justice to ensure effective transmission of the cash grant to and receipts from the Welsh Consolidated Fund.

Objective 3 – Representation

To represent Welsh interests in the wider world by:

- Promoting effective communication for Welsh opinion and effective co-ordination of policy; and
- Promoting the economic, social, political and cultural interests of Wales in contexts other than Parliament and Government, and contributing to informed public discussion.

Objective 4 – Governance

To secure, develop and manage effectively and efficiently the resources needed to deliver these objectives, with particular focus on:

- Value – to maximise efficiency and value for money;
- People – investing in and getting the best out of our people; and
- Delivery – developing and improving how we deliver each of the objectives.

4.3 Looking Back: Delivery Against Objectives in 2007-08

Objective 1 – Constitution & Parliament

To maintain and improve the devolution settlement by:

- Ensuring that the changes to the constitutional settlement which flow from the Government of Wales Act 2006 are implemented and operated smoothly;
- Securing space within the Government's legislative programme for Wales-specific primary legislation including provisions within wider UK Bills, and steering their passage through Parliament, by working with the Welsh Assembly Government, National Assembly for Wales and UK Government Departments;
- Being responsible for other Wales-specific legislation including Orders in Council which enhance the legislative competence of the National Assembly for Wales, or are otherwise required for the operation of the devolution settlement; and
- Enabling the Secretary of State and the Minister in the House of Commons, and Government spokespeople in the House of Lords, to respond to Parliamentary interests in Welsh affairs.

Delivery

We have continued to work with all interested parties to ensure the smooth implementation of the Government of Wales Act. Nearly all of the Orders implementing the Act have now been made. The National Assembly for Wales (Legislative Competence) (Amendment of Schedule 7 to the Government of Wales Act 2006) Order 2007 was approved by Parliament in July 2007. This ensures that Schedule 7 to the 2006 Act accurately states the powers which would become available by a referendum in favour of primary powers.

Details of primary legislation making provisions for Wales since the 2007 Annual Report are set out in Annexes 1 & 2 of this report.

We have worked closely with all interested parties to ensure that the new Order in Council process has been introduced smoothly. The Wales Office has played a key role in discussions between the UK and Welsh Assembly Governments relating to the programme of Orders announced by the First Minister in June 2007. One Order has now completed its Parliamentary passage and was at the Privy Council meeting in April 2008. Good progress is being made on the other possible Orders submitted.

Wales Office Ministers and officials have been involved in debates on the Schedule 7 Order, debates on Orders in Council under section 95, debates on Bills containing Framework Powers and the Welsh Grand Committee debates on the Queen's Speech and Comprehensive Spending Review and the Budget. A new innovation during the current Parliamentary Session has been the briefing sessions held for MPs and Peers on Bills containing Framework Powers.

Objective 2 – Government

To maintain effective working relationships with the National Assembly for Wales and Welsh Assembly Government by:

- Fostering partnership working between the devolved administration in Wales and the UK Government, and with the other devolved administrations;
- Ensuring that Welsh interests are fully taken into account in non-devolved functions, and in policy areas which cut across the responsibilities of both the UK Government and the Welsh Assembly Government;
- Representing Wales' interests in the Comprehensive Spending Review 2007;
- Keeping under review with HM Treasury and the Welsh Assembly Government the operation of the Statement of Funding Policy for the devolved administrations, as it applies to Wales; and
- Working closely with the Welsh Assembly Government and Ministry of Justice to ensure effective transmission of the cash grant to the Welsh Consolidated Fund.

Delivery

The Wales Office has been actively pursuing partnership approaches with key partners, including at official level:

- Membership of a devolution forum that comprises the territorial offices, the Ministry of Justice and the Cabinet Office;

- Membership of the Whitehall contacts group, which comprises the territorial offices, devolved administrations and the Ministry of Justice and the Cabinet Office;
- Regular meetings with the Welsh Assembly Government colleagues to facilitate early discussion and/or engagement in policy development areas as appropriate; and
- Key outputs of these Group includes the devolution awareness programme in early stages of implementation (further details under Chapter 2, 2.7 Devolution Awareness Raising).

In addition, and to ensure the consistent promotion of Welsh interests, Wales Office Ministers regularly meet Welsh Assembly Government Ministers and UK Cabinet colleagues.

Wales received a Comprehensive Spending Review (CSR2007) settlement that, at 2.4 per cent real average year-on-year increase, was above the UK level, enabling the Welsh Assembly Government to plan and deliver its policy agenda. We continue to work with both the HM Treasury and Welsh Assembly Government to ensure the operation of Statement of Funding Policy, as it applies to Wales, agreed in the CSR2007.

CSR2007 continued the Government's commitment to provide Barnett-plus Funding for Wales.

New procedures were established and embedded, to ensure effective transmission of the cash grant to the Welsh Consolidated Fund, with the Wales Office, Ministry of Justice and Welsh Assembly Government.

Objective 3 – Representation

To represent Welsh interests in the wider world by:

- Promoting effective communication for Welsh opinion and effective co-ordination of policy; and
- Promoting the economic, social, political and cultural interests of Wales in contexts other than Parliament and Government, and contributing to informed public discussion.

Delivery

Key to the role of the Wales Office, representing Welsh interests has remained a priority. The Office has, therefore, continued to contribute towards the effective communication of Welsh opinion and co-ordination of policy and to the wider promotion of the economic, social, political and cultural interests of Wales.

Ministers have been involved in key issues for Wales, including:

- **Post Offices.** Ministers have met Cabinet colleagues and Post Offices Ltd on the Post Office closures programme to ensure that the views of the Welsh Assembly Government and the wider Welsh public were heard, particularly in terms of the handling of the programme's implementation in Wales.
- **Cross-Border Health Service Delivery.** Ministers have played an active part in the ongoing discussions between Welsh Assembly Government and Department of Health colleagues on the protocol, which underpins the provision of health services in border areas.

This work is complex, involving the commissioning and delivery of cross-border health services. The existing interim protocol has recently been extended for a further year, whilst work to improve the protocol continues.

- **Severn Barrage.** Wales Office Ministers have been key to the development of the proposals for the Severn Barrage. Officials have worked closely with Department for Business, Enterprise and Regulatory Reform (BERR), Defra and HM Treasury to establish an initial cross-government working group to explore potential generation of tidal power from the Severn Estuary. To ensure Welsh interests are fully taken into account as the project moves forward, the Wales Office is represented on:
 - the cross-government Ministerial ad-hoc Committee;
 - Director General level Project Board;
 - Feasibility Study Project Board;
 - Strategic Environmental Assessment (SEA) Steering Group;
 - Regional and Transport Impacts Workstream; and
 - Communications Workstream.

Additionally, external stakeholder engagement and media work has been undertaken to move the project forward and to communicate the benefits of such a project throughout Wales.

- **Coal Health.** The Welsh Sub-Group of the Coal Health Claims Monitoring Group has continued its work, chaired by Wales Office Ministers. At its last meeting in November 2007, total compensation administered to miners and their families in Wales exceeded £672 million.
- **National Policing Board.** The Minister continues to be a permanent member of the Board. He meets regularly with the Welsh Authorities and Forces to represent their views on the Board. This has included involvement in the handling of the initial publication of the Flanagan Review of Policing to ensure specific Welsh interests were taken into account.
- **Welsh Universities.** In his capacity as Privy Council advisor on Welsh issues, the Secretary of State, gave his agreement to a number of associate collegiate of the University of Wales to attain separate university status and degree-awarding powers. The Wales Office worked in partnership with the Welsh Assembly Government in providing advice and support to the Privy Council Secretariat on the changes to the charter and statutes of Welsh Higher Education institutions.
- **Independent Review of Further Education in Wales.** The Wales Office facilitated the input and discussion by Parliamentarians and interested stakeholders on Sir Adrian Webb's review of Further Education in Wales while facilitating one of the first Welsh framework clauses for the Further Education and Training Bill (now an Act). The report was published in December last year.
- **Suicide Prevention.** The Wales Office played a key role in bringing together and providing a voice for the views of elected representatives from Westminster and the National Assembly for Wales and other key stakeholders. Ministers were active in highlighting the work of local partners. The Welsh Assembly Government has now announced the establishment of a Suicide Prevention Action Plan for Wales.

- **Parliamentary Committees.** Ministers have appeared before Committees to represent and promote Welsh interests and opinion. The Secretary of State gave evidence to the Welsh Affairs Select Committee on the 2007 Wales Office Annual Report and new legislative arrangements in Wales. In January, the Secretary of State appeared before the Justice Committee's Inquiry into Devolution to give a Wales perspective. The Secretary of State and the Minister have addressed the Welsh Grand Committee – in December 2007 on the Queen's Speech and Comprehensive Spending Review, and in March 2008 on the Budget.

Objective 4 – Governance

To secure, develop and manage effectively and efficiently the resources needed to deliver previous objectives, with particular focus on:

- Value – to maximise efficiency and value for money;
- People – investing in and getting the best out of our people; and
- Delivery – developing and improving how we deliver each of the objectives through the Wales Office Improvement Programme.

The Wales Office has developed and published a Human Resources Strategy to all staff, defining priorities and objectives to achieve over a three-year period, from 2007-08 to 2009-10. The strategy clearly defines actions to be undertaken in developing:

- Shape of the organisation;
- Focus on delivery;
- Staff development; and
- Focus on individual performance.

These themes have been developed and implemented to make us a higher performing, more flexible and innovative organisation.

The Wales Office has played a key role in deepening and developing the Welsh devolution settlement. Staff aligned their personal objectives with the Wales Office objectives (see 4.2), and development for all staff is now set within the framework provided by Professional Skills for Government.

Efficiency and value for money are covered in detail in Chapter 5.

4.4 Progress Against Targets

The Wales Office does not deliver services directly to the public but does deal with correspondence, telephone and press enquiries. We are committed to providing high quality and efficient services.

We have six targets aimed at ensuring efficiency and quality in our dealings with the public. These are set out in the following table.

Target	Indicator	Performance April 2007- March 2008
We will respond to correspondence within 15 working days of receipt.	<i>Percentage of correspondence replied to within 15 working days.</i>	91%
We will ensure that accounts are paid promptly. Where a contract applies, we will make payments in accordance with the applicable timetable. We will otherwise pay accounts within 30 days of receipt of a valid invoice.	<i>Percentage of invoices paid within target time.</i>	90%
We will deal with all requests for information, in accordance with the Freedom of Information (FOI) Act 2000. Request will normally be processed within 20 working days of receipt or with permitted extension or we will send an interim reply explaining the reasons for the delay and indicating when a full reply will be sent.	<i>Percentage of FOI cases replied to within 20 working days.</i>	92%
To respond to all requests for FOI Reviews with 20 working days.	<i>Percentage of FOI reviews conducted and responded, under the FOI guidelines of 20 working days.</i>	100% (2 reviews conducted)
We have established a formal complaint procedure, regarding conduct of the Wales Office, and we will investigate and respond to 10 days.	<i>Percentage of complaints dealt with within 10 days.</i>	No formal complaints received. The Wales Office complaints procedure can be accessed on the any complaint within departmental website at: www.walesoffice.gov.uk
To respond to all Written Parliamentary Questions within five days of their being tabled in the House of Commons; and all Named Day Questions to be answered on the date specified.	<i>Percentage of questions handled within five day ruling.</i>	99%
	<i>Percentage of named day questions answered on date specified.</i>	100%

Chapter 5



Organisation, Governance and Capability

Chapter 5: Organisation, Governance and Capability

Introduction

The Wales Office's immediate business challenges and performance are set out elsewhere in this Report. This Chapter discusses how we organise ourselves, govern our operations, and what we have done and are doing to improve our performance and build capability for the future.

The Wales Office has successfully met a number of the key challenges we faced, including implementation of the Government of Wales Act 2006. A Comprehensive Spending Review settlement that, at 2.4 per cent real average year on year increase, was above the UK level enabling the Welsh Assembly Government to plan and deliver its policy agenda. We secured with HM Treasury a three-year budget for running the Wales Office that will allow us to meet the challenges we face.

Wales Office as part of the Ministry of Justice

The Wales Office has few executive functions. With less than 60 people in total, it cannot provide for itself the full range of central and corporate services needed by a Government Department on a proper professional basis. While accountable to the Secretary of State for Wales and his junior Minister, and having its own distinct identity, the Wales Office benefits from being part of the Ministry of Justice, with access to its supporting services. We rely on the Ministry of Justice for *volume* services, such as bill paying, payroll, and IT infrastructure and support at the desktop or away. We rely on it also for *professional* services, such as financial accounting services, procurement, and managing premises, particularly important when the Wales Office's main building is a listed heritage building on Whitehall.

We also benefit from the close collaboration we enjoy with the Welsh Assembly Government, arising from our history, our functions, and the fact that typically 35–40 per cent of our staff are drawn on loan from the Assembly.

Unlike bigger Departments, the Wales Office does not have for the most part its own staff directly supplying support services; normally they will be working to secure and organise the provision of services from elsewhere. Services operated directly by the Wales Office (such as the handling of our correspondence) will be supported by systems (such as the electronic records management system) provided to us from the Ministry of Justice. For procurement and supply we generally rely on Ministry of Justice procurement contracts. In the interests of good stewardship, and consistent with having a distinct identity, we endeavour to have our own local management and reporting systems, where practical and apt, within this wider context.

5.1 Service Level Agreements (SLAs)

Over the past 12 months we have agreed new or updated service level agreements with Ministry of Justice and Welsh Assembly Government covering our core responsibilities, and the necessary support services.

We have reviewed and agreed updates to existing SLAs covering Finance, Facilities Management and Information Communication Technology (ICT) services (ICT under the new contract with Ministry of Justice (MoJ) main supplier Atos Origin). We have put in place a new SLA with the MoJ covering Human Resources (HR). We have reviewed and updated the Finance and HR SLAs with the Welsh Assembly Government. The Finance SLAs have been updated to reflect changes introduced in the Government of Wales Act 2006 establishing the Welsh Consolidated Fund (WCF) and embedding grant transfer processes agreed with Internal Audit. It also takes account of a new set of processes within the Welsh Assembly Government's Finance Department, which manages the Welsh Consolidated Fund. SLAs continue to be assessed and updated. New SLAs will be issued by end of May 2008 covering financial year 2008-09.

5.2 Wales Office Challenges

We have carried through improvements in 2007-08 to better meet business challenges. As described elsewhere in this Report, the Wales Office's key responsibilities are:

- handling legislation as it affects Wales (directly, or by grant of legislative competence to the Assembly);
- responding to Parliamentary interest in Welsh Affairs;
- transmitting the grant to Wales;
- supporting collaboration between UK and Welsh Assembly Governments; and
- generally promoting the interests of Wales.

This year we have had new institutional arrangements in Wales. The coalition Welsh Assembly Government formed their proposals for transfer of new legislative powers to the Assembly. The UK Government developed a more systematic approach to devolution (led by the Ministry of Justice and Cabinet Office). This culminated in the new Secretary of State being given responsibilities across Whitehall for the British Irish Council (BIC), and for revitalising the Joint Ministerial Committee (JMC). He also chairs the Cabinet Committee on Local Government and the English Regions – along with other responsibilities not related to devolution.

A regeneration of policy and legislation branch occurred in October 2007, with some new recruitment and some reassignment of duties. The major change was to create a dedicated team to deal with new legislative arrangements put in place by the Government of Wales Act 2006.

Other policy functions were redefined to better service the business needs across both London and Cardiff sites.

Work progressed during 2007-08 to ensure that all staff – whether new to the Office or with new responsibilities – had agreed objectives. The Wales Office Management Board has developed a Learning and Development Strategy, to be implemented sequentially through 2008-09, in line with other work demands and available resources.

This will better equip us with the skills needed to meet the legislative demands and business objectives of the Office. It will assist in continuing to provide development opportunities for all staff.

Further improvements have been made to the Corporate Governance Branch of the Office to support and ensure both the Management Board and Audit Committee are serviced in line with HM Treasury guidance.

The new organisation is bedding in. Further changes (including some reinforcement) will be needed to support the new responsibilities given to the Secretary of State following his re-appointment for Wales on 24 January. His responsibilities for the BIC and the JMC fit closely with work being done at the Ministry of Justice and Cabinet Office, which provide main direct support to him in his BIC and JMC roles respectively.

5.3 Efficient Use of Resources

The Wales Office worked with the Welsh Assembly Government, National Assembly for Wales, HM Treasury, Ministry of Justice Finance and the Auditor General for Wales to install the new arrangements under the Government of Wales Act 2006. These included the creation of the Welsh Consolidated Fund with procedures for its administration and control.

The Secretary of State for Wales and his Office are responsible only for the transmission of the Welsh Block but, not its application within Wales. This is for the Welsh Assembly Government, accountable to the National Assembly, with the support of the Auditor General for Wales. The Permanent Secretary of the Welsh Assembly Government is appointed Accounting Officer.

During 2007-08, the Wales Office concluded specific agreements on operating procedures with the Treasury, Ministry of Justice Finance, the Welsh Assembly Government, and the Wales Audit Office. There is a new Memorandum of Understanding between the Director of the Wales Office as Additional Accounting Officer for the relevant Request for Resources and the Permanent Secretary of the Welsh Assembly Government in his capacity as Accounting Officer.

To strengthen assurance, the Wales Office, Welsh Assembly Government and the Auditor General for Wales have agreed that any findings by the Auditor General communicated to the Welsh Assembly Government which are material to the Wales Office's responsibilities will be made available to the Wales Office too. The Wales Office Director met the Auditor General for Wales in 2007 to confirm the operation of this agreement.

In Comprehensive Spending Review (CSR) 2007 an agreement reached between the Secretary of State for Wales and the Chief Secretary to the Treasury provides the Office an aggregate budget for the three financial years 2008-11. This is sufficient to meet forecast demands, while ensuring efficiencies, in line with general Government requirements.

As mentioned in 5.2, we have realigned the policy and legislation branches to handle the task we judge they need to undertake following the Government of Wales Act 2006. These developments above have allowed us greater flexibility to deploy resources and enhance key business areas within the Office.

Procurement, environmental considerations and sustainability

Where the Wales Office draws on services supplied by the Ministry of Justice or under contract to them, Government commitments on environmental impact and sustainability are met within their wider frameworks. We have continued to build on the work we completed with Carbon Trust in 2006 to lock in the reductions in energy and water consumption and plan to have a workable Sustainable Development strategy, aligned to that of the Ministry of Justice, by mid July 2008.

In the interim headway has been made to improving sustainability and reducing our carbon footprint.

In 2007-08 we:

- Used paper stationery derived from 80 per cent renewable sources;
- Recycled over 10,000 kilograms of waste, (cardboard, paper, plastic, shredding) against 960 kilograms of general waste;
- Reduced emissions to be offset by 262 tonnes of CO₂ emissions;
- Sourced 100 per cent of electricity from renewable resources; and
- Offset 45.7 tonnes of CO₂ emissions, using a company recommended by DEFRA.

This ensured the Wales Office met and exceeded the Government targets to source at least 10 per cent of electricity from renewables, by 31 March 2008.

5.4 Information Age Government

Websites

Work has been completed to redevelop and redesign our external websites, in Welsh and English. The new sites went live on 4 February 2008 and provide a more accessible and informative web presence. From the date of launch we have received 4,089 hits on the English site and 218 hits on the Welsh version.

The Websites can be found at:

www.walesoffice.gov.uk

www.swyddfa.cymru.gov.uk

Our websites offer a practical and effective way of making material on our responsibilities readily available to the public, and in readily searchable form. We recognise that this cannot be the only source, because of considerations of access, but it is increasingly popular and convenient for many users. The new websites were re-designed both technically and in content and presentation, and are available in both English and Welsh.

All staff have access to the Internet and the Ministry of Justice Intranet site.

Information and Data Security

The Wales Office does not handle a high volume of sensitive personal information. Staff and similar records are subject to special handling procedures to keep them safe. The Wales Office has the protections afforded by the Ministry of Justice-supported electronic records management system. We participated through the Ministry of Justice in the Government's review of data handling within Departments at the end of 2007-08, and are applying all relevant recommendations.

5.5 Public Appointments

The Secretary of State for Wales is not solely responsible for making any appointments to outside public bodies, but has a part in ensuring that Welsh interests are properly reflected in appointments made by other Ministers. Towards the end of 2007-08 the Wales Office supported the process of selecting candidates to recommend for appointment to the Local Government Boundary Commission for Wales, and the Parliamentary Boundary Commission for Wales.

5.6 Welsh Language

The proposed review of the Wales Office's Welsh Language Scheme in 2007 was delayed at the request of the Welsh Language Board, which was revising its procedures and processes for such exercises. This work has now been completed and the Wales Office is liaising with the Welsh Language Board to review its scheme in this coming year.

5.7 Recruitment of Wales Office Staff

Wales Office staff come from either the Ministry of Justice, posted from elsewhere in the Ministry, or recruited to it on appointment from outside; or on loan from the Welsh Assembly Government.

During 2007 the Ministry of Justice conducted a major pay and grading exercise, which had been initiated by the Department for Constitutional Affairs. The Wales Office participated in this, assessing, with the Ministry of Justice all our posts, whether currently filled by Ministry of Justice or Welsh Assembly Government staff.

The Wales Office has also implemented its own performance management arrangements, compatible with those of both the Ministry of Justice and Welsh Assembly Government. This has meant modifying the competences identified by these organisations to fit our own business needs. We can therefore recruit, manage and appraise performance in a way which meets the business needs of the Wales Office, while ensuring that staff from the two organisations are not disadvantaged in coming here or in moving on.

The Wales Office complies with the requirements of the Civil Service Order in Council 1995, when recruiting its staff. Every individual appointed is selected on merit on the basis of fair and open competition, apart from cases where exceptions are permitted under articles 6 and 7 of the Order.

To this end:

- prospective candidates are given equal and reasonable access to adequate information about the job and its requirements and about the selection process;
- applicants are considered equally on merit at each stage of the selection process;
- selection is based on relevant criteria applied consistently to all candidates;
- selection techniques are designed to be reliable and guard against bias; and
- equal opportunities policies apply throughout the recruitment process.

5.8 Staff Numbers

NAW Capital Staff years – full time equivalent		2006-07 actual	2007-08 actual	2008-09 plans	2009-10 plans
Permanent staff	Policy	44	37	42	42
	Operational	11	12	15	15
Casual staff		1	4	2	2
Overtime		1	1	1	1
Total		57	54	60	60

The permanent staff element of the above tables has been split to distinguish between staff undertaking policy work, including Ministers' Private Offices and Operational Support, including all corporate services and finance.

5.9 Wales Office Equal Opportunities Policies

Diversity

Approximately 14 per cent of the Office's staff are of Ethnic Minority origin.

Women

Women make up 51 per cent of the staff. The table below shows the number of women in post in each grade as at 31 March 2008

Grade	Staff in post	Of which women
SCS	1	0
Grade 6	5	1
Grade 7	5	3
SEO	9	7
HEO	9	5
EO	16	7
AO	10	6
AA	2	1

People with disabilities

The Wales Office has a few staff with disabilities. For reasons of privacy no details are given, in line with Cabinet Office guidance.

The Wales Office complies with its requirements under the Disability Discrimination Act 1995. Work has been carried out at both our offices during 2007–08 including improved disabled access at the main entrance to Discovery House, Cardiff Bay. We are subject to regular DDA Audits and we expect to have both buildings audited in 2008–09.

5.10 Wales Office Corporate Governance and Performance Management

These themes underpin much of the material in this chapter. The Wales Office has a Management Board, bringing together the heads of key components of the Office's business. It meets formally approximately every two months, to support the Office's strategy setting, delivery and performance management, financial control and stewardship, and risk management. The Board has one non-executive member, David Crawley, who also chairs the Office's Audit Committee. The role and work of the Audit Committee is reported below. The Management Board, as a standing item each meeting, assesses the key strategic risks of the Office against the business objectives. The process of risk management and assessment is embedded throughout the Office with all branches regularly assessing their key risks and reporting into the Strategic Risk Register for the Office.

During the course of 2007–08 the Management Board and Shadow Management Board (SMB) have operated within their terms of reference. Terms of reference comply with Treasury guidelines and can be found on our website: www.walesoffice.gov.uk

The Wales Office performance management system assigns responsibilities to teams and individuals throughout the Office, with the Management Board managing major and cross-cutting issues.

Audit Committee

The Audit Committee has been further strengthened through the addition of a third non executive director and its Terms of Reference have been confirmed as being aligned with the revised HM Treasury Handbook on Audit Committees. It met four times during this period, including once in Cardiff, and as required by the Handbook, its agendas were planned on the basis of the annual, quarterly and other key dates for actions on the Accounts, Statements of Internal Control, and Estimates etc. The Committee scrutinises the risk management process for the Office and advises the Accounting Officer on appropriate action needed. The Committee regularly reports to the Management Board at which the Audit Committee chair is a non-executive member.

The non-executive Chair carried out the annual review of the functioning of the Committee in January 2008, supported by contributions from internal and external auditors. The review will continue into the May 2008 meeting when the Chair will report its findings in the Audit Committee Annual Report to Management Board.

Health and Safety

The Wales Office participates in work under the supervision of the Ministry of Justice's Health and Safety Committee. It has its own local Health and Safety Committee to assess and manage risks, which reports regularly to the Management Board.

Office Premises

The Wales Office's main building is Gwydyr House, in Whitehall. This was originally a Georgian town house, and is a listed building. Using it for ministerial and other offices, with all modern office requirements, compatibly with its physical structure and associated heritage obligations, is challenging. We take advice from both Ministry of Justice Facilities Management and the appointed building Managing Agents, who also provide us with regular building reports to meet statutory Building Regulations. Adhering to the outcome of the reports, we have a continuing programme of maintenance at Gwydyr House, to meet its special status and requirements.

The Wales Office leases space in an office building in Cardiff Bay. Both offices meet the requirements of the Disability Discrimination Act.

Chapter 6



Government Expenditure in Wales

Chapter 6: Government Expenditure in Wales

6.1 Funding the National Assembly for Wales

The financial arrangements between the UK Government and the National Assembly for Wales are set out in the fourth edition of *A Statement of Funding Policy*, which was published in October 2007 by HM Treasury and covers the funding arrangements for Scotland and Northern Ireland also. The arrangements represent, for the most part, the continuation of long-standing conventions that guided funding for Wales (as well as Scotland and Northern Ireland) before devolution.

Responsibility for United Kingdom fiscal policy, macroeconomic policy and public expenditure allocation across the United Kingdom remains with the Treasury. As a result, the Assembly's budget continues to be determined within the framework of public expenditure control in the United Kingdom. However, once overall public expenditure budgets have been determined, the Assembly has freedom to make its own spending decisions, within the overall total, on programmes for which it is responsible.

UK Government funding for the Assembly's budget is normally determined within spending reviews. Other Departments generally link changes in the budgetary provision of the devolved administrations to changes in planned spending on comparable public services. The linkage is generally achieved by means of the population-based Barnett formula. Parliament votes the necessary provision to the Secretary of State. He makes payments to the Assembly out of money provided by Parliament of such amounts as he may determine, in accordance with the Government of Wales Act 2006. The costs of the Wales Office are met out of the money provided by Parliament.

The 2007 Comprehensive Spending Review (CSR) concluded in October 2007, and announced with the Pre Budget Statement on 9th October 2007, provided substantial additional resources for Wales. The total Departmental Expenditure Limit for Wales set in the CSR was for £14,263 billion in 2008-09 rising, to £15.742 billion in 2010-11. These figures represent a 2.4 per cent year on year average increase in real terms over the three years. With the addition of Annually Managed Expenditure (the level of which is reviewed each year) the total funding routed through the Wales Office to the Welsh Consolidated Fund is expected to reach in excess of £14 billion by 2008. In 2008-09, public spending in Wales will be £3.2 billion higher than in 2004-05.

In addition, the Welsh Assembly Government received a total of £5 million, in Barnett consequentials, from the Chancellor's Budget in March 2008.

6.2 Total Identifiable Public Expenditure in Wales

In 2007–08 public spending, which can be identified as having been incurred for the benefit of Wales totalled £25.555 billion, equivalent to £8,577 per head or some 10 per cent above the UK average. For further information see PESA 2008.

6.3 Whole of Government Accounts

The Wales Office and the Welsh Assembly Government are participants in the Whole of Government Accounts project, which is being led by HM Treasury.

6.4 The Assembly Budget

It is for the Assembly to determine how it deploys the resources available to it, including between running cost and programme expenditure. The Welsh Assembly Government has committed resources to implement reforms and improved results in the delivery of public services in Wales. It has a continuing commitment to improving Wales' economic performance and to narrowing the GDP gap with England. The Wales Office fully supports these objectives.

Detail of the Assembly's budget can be found on its website at: www.wales.gov.uk

6.5 Budget 2008

Since the 2004 Spending Review additional resources have been made available in the Pre-Budget Report and Budget. The Chancellor delivered his Budget on 12th March 2008, announcing an additional £5 million for Wales as a consequence of increased funding in England. It is for Assembly Ministers to decide how these moneys will be spent in Wales. Full Budget details are available on the Treasury website at www.hm-treasury.gov.uk.

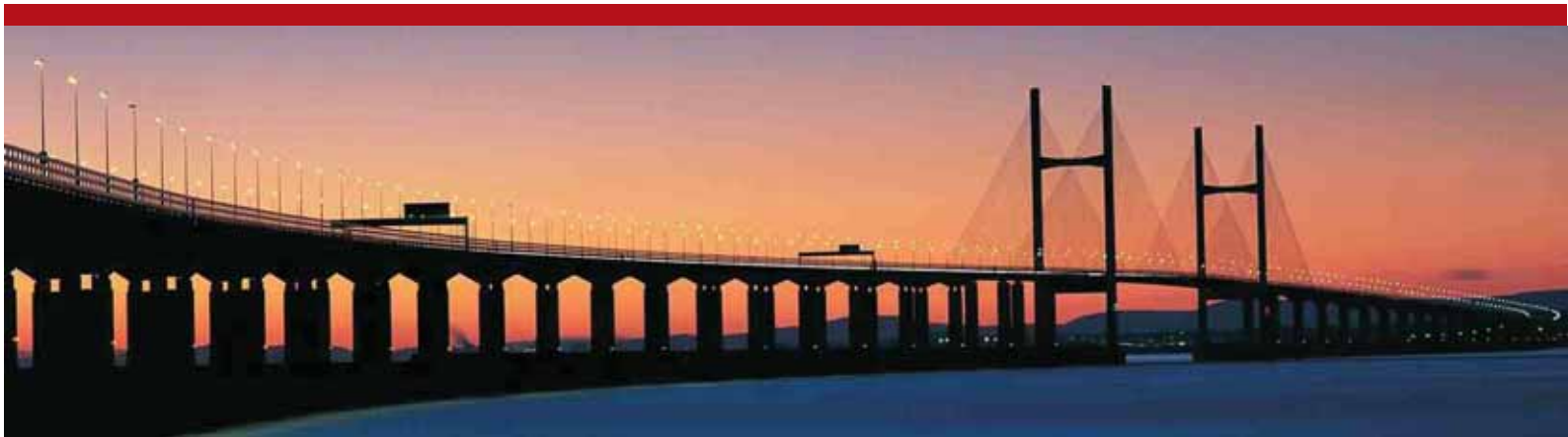
6.6 Expenditure by the Wales Office

The Wales Office's own spending forms part of the Welsh budget. Other than the grant it pays to the Assembly, the Department's expenditure comprises:

- Its own running costs;
- The expenses of the Lord Lieutenants; and
- Associated non-cash items.

6.7 Changes to Wales Departmental Expenditure limit for 2002-03 to 2010-11 since PESA 2008.

The table below reconciles the current Wales Departmental Expenditure Limit with the baseline from the 2004 Comprehensive Spending Review.



Annexes

Annex 1: Acts with specific provisions or implications for Wales in session 2006-07

Act	Outcome	Notes
Concessionary Bus Travel Act 2007	Received Royal Assent 19 July 2007	Provides for free off-peak national bus travel for the over 60s and disabled people in England. An order making power is included to enable England and Wales to recognise each others' passes, and those of Scotland and Northern Ireland.
Consumers, Estate Agents and Redress Act 2007	Received Royal Assent 19 July 2007	Establishes the National Consumer Council (with a committee for Wales called the Welsh Consumer Council) and abolishes other consumer bodies. The provisions for the Council include requirements to consult, report to, and obtain the consent of, Assembly Ministers. Also makes provision for consumer complaints and redress schemes, and the regulation of estate agents.
Further Education and Training Act 2007	Received Royal Assent 23 October 2007	Makes provision for the Learning and Skills Council for England; institutions within the further education sector; industrial training levies; and the formation of, and investment in, companies and charities by higher education corporations. Gives Framework Powers to enable the National Assembly to pass Measures relating to various aspects of post-16 education.
Local Government and Public Involvement in Health Act 2007	Received Royal Assent 30 October 2007	Includes Framework Powers enabling the National Assembly to pass Measures relating to principal areas and councils, byelaws, members' conduct, local authority strategies and performance. Amends the Best Value regime, giving Assembly Ministers powers to issue general guidance, modify enactments that obstruct best value and make grants to improve authorities' performance. Also includes provisions relating to local authority entities and byelaws, which confer powers on Assembly Ministers; and provisions relating to the Auditor General for Wales.

Act	Outcome	Notes
Mental Health Act 2007	Received Royal Assent 19 July 2007	Amends the Mental Health Act 1983 and the Mental Capacity Act 2005 in relation to the compulsory treatment of mentally disordered persons. Confers powers on Assembly Ministers to make regulations relating to various matters, including approved clinicians and mental health professionals, certain treatments requiring consent, advocacy services, and the transfer of certain patients. (Annex A to the Explanatory Notes to the Act lists all the provisions which confer new functions on Assembly Ministers.)
Offender Management Act 2007	Received Royal Assent 26 July 2007	Makes provision for probation services, prisons and other matters relating to the management of offenders. Assembly Ministers must be consulted for plans for probation services.
Rating (Empty Properties) Act 2007	Received Royal Assent 19 July 2007	Reforms relief from business rates for unoccupied properties. Assembly Ministers may make orders reducing liability for unoccupied property rates and regulations to deal with attempted avoidance.
Serious Crime Act 2007	Received Royal Assent 30 October 2007	Includes provision amending the Public Audit (Wales) Act 2004 to enable the Auditor General for Wales to conduct data matching exercises.
Statistics and Registration Service Act 2007	Received Royal Assent 26 July 2007	Establishes and makes provision for the Statistics Board, and makes provision for the registration service. Gives Assembly Ministers certain functions in relation to the Board, including a role in relation to appointments and a power to issue directions.
Tribunals, Courts and Enforcement Act 2007	Received Royal Assent 19 July 2007	Simplifies the tribunal system, establish an Administrative Justice and Tribunals Council and other matters. Includes provision relating to tribunals operated by Assembly Ministers.
Welfare Reform Act 2007	Received Royal Assent 4 May 2007	Makes provision for social security and amends the Vaccine Damage Payments Act 1979. Includes provision for Best Value reports of the Auditor General for Wales.

Other Acts in session 2006-07 which apply to Wales

Act	Outcome	Notes
Armed Forces Act 2006	Received Royal Assent 8 November 2006	Replaces the three separate systems of service law and discipline with a single system governing all members of the armed forces.
Building Societies (Funding) and Mutual Societies (Transfers) Act 2007	Received Royal Assent 23 October 2007	Makes provision to liberalise the wholesale funding limits on building societies, place building society members on a par with creditors on a winding up, and make it easier for mutual societies to transfer their business to subsidiaries of other societies.
Corporate Manslaughter and Corporate Homicide Act 2007	Received Royal Assent 26 July 2007	Makes provision to make it easier to prosecute organisations when their gross negligence leads to death by delivering a new, more effective basis for corporate liability in England and Wales.
Digital Switchover (Disclosure of Information) Act 2007	Received Royal Assent 18 June 2007	Makes provision for the disclosure of certain information for purposes connected with digital switchover.
Forced Marriage (Civil Protection) Act 2007	Received Royal Assent 26 July 2007	Provides civil remedies for those faced with forced marriage and for victims of forced marriage.
Investment Exchanges and Clearing Houses Act 2006	Received Royal Assent 19 December 2006	Confers power on the Financial Services Authority to disallow excessive regulatory provision by recognised investment exchanges and clearing houses; and for connected purposes.

Act	Outcome	Notes
Legal Services Act 2007	Received Royal Assent 30 October 2007	Introduces regulation of legal services by establishing the Legal Services Board as an independent regulator and a new Office for Legal Complaints.
Pensions Act 2007	Received Royal Assent 26 July 2007	Makes provision for pensions and other benefits payable to persons in connection with bereavement or by reference to pensionable age; makes provision for the establishment and functions of the Personal Accounts Delivery Authority.
UK Borders Act 2007	Received Royal Assent 30 October 2007	Makes provision for immigration and asylum.
Vehicle Registration Marks Act 2007	Received Royal Assent 19 July 2007	Makes provision to simplify the process of buying and selling registration numbers.

Annex 2: Government Bills with specific provisions or implications for Wales in Session 2007-08

Bill	Notes
Children and Young Persons Bill	Makes provision to reform the statutory framework for the care system to enable children and young people to receive high quality care and support and drive improvements in the delivery of services focussed on the needs of the child.
Climate Change Bill	Creates a long term legal framework to reduce the UK's CO ₂ and greenhouse gas emissions up to 2050 and beyond, by setting carbon reduction targets and budgets, establishing a Climate Change Commission to advise the government and devolved administrations, and creating powers to introduce trading schemes. Assembly Ministers will have the power to introduce a trading scheme in Wales, and functions of issuing guidance and reporting on climate change.
Education and Skills Bill	Provides provision to raise to 18 the minimum age at which young people can leave education or training in England, and bring in the legislative changes needed to implement key elements of the Leitch Review. Gives Framework Powers to enable the National Assembly for Wales to legislate in relation to the inspection of schools for the pre-16 age group and registration and regulation of independent schools in Wales.
Energy Bill	Makes provision in relation to offshore gas infrastructure, carbon dioxide storage, the Renewables Obligation, decommissioning of energy installations (nuclear, renewables, oil & gas) and offshore transmission. Includes provisions to preserve existing functions of Assembly Ministers.
Health and Social Care Bill	Creates a new integrated regulator for health and adult social care (the Care Quality Commission), bringing together existing health and social care regulators into one regulatory body. Reforms professional regulation to enhance public and professional confidence and strengthen clinical governance as part of the Government's response to the Shipman enquiry.
Housing and Regeneration Bill	Supports delivery of housing supply through the creation of a new homes agency for England, and reforms social housing regulation in England. Gives Assembly Ministers powers relating to sustainability certificates for new homes. Makes amendments to housing legislation, including some changes to powers of Assembly Ministers.

Bill	Notes
Local Transport Bill	Makes provision to support Government strategy to tackle road congestion and improve public transport by ensuring local authorities have the right powers to take local action to meet local transport needs. Gives Framework Powers to enable the National Assembly for Wales to pass Measures relating to trunk road pricing in Wales, (including the M4) and apply the proceeds of such charges to transport-related matters in Wales.
Planning Bill	Makes provision to establish the Infrastructure Planning Commission and introducing a single consents regime for major infrastructure projects. Includes provisions to improve the town and country planning system, which will either apply to Wales or include power for Assembly Ministers to make equivalent provision for Wales. Gives Framework Powers to enable the National Assembly for Wales to legislate in relation to spatial planning and local development plans. Provides for a Community Infrastructure Levy.
Regulatory Enforcement and Sanctions Bill	Establishes the Local Better Regulation Office to promote better regulation by local authorities, and provides for co-ordination of enforcement by local authorities. Assembly Ministers will have various functions in relation to the LBRO. Confers powers to enable regulators to impose a range of civil sanctions for regulatory non-compliance, and to require regulators not to impose unnecessary burdens, which will be powers for Assembly Ministers in relation to devolved matters.
Sale of Student Loans Bill	Makes provision for the programme of sales of the student loans portfolio, including Assembly student loan book.
Dormant Bank and Building Society Accounts Bill	Provides for a scheme to distribute money in dormant bank and building society accounts for the benefit of the community, whilst protecting the right of owners to reclaim their money. Gives Assembly Ministers various functions, including the power to issue orders and directions relating to the distribution and expenditure of money apportioned to Wales.

Draft Bills with specific provisions or implications for Wales in session 2007-08

Bill	Notes
Draft Cultural Property (Armed Conflicts) Bill	Will make provision to enable the UK to accede to the Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict. Includes power for Assembly Ministers to authorise the use of the Convention's cultural emblem in Wales.
Draft Heritage Protection Bill	Will introduce a new system of Heritage Protection in England and Wales, unifying the designation and consent regimes for terrestrial heritage assets, and reforming the marine heritage protection regime. Assembly Ministers will maintain the Heritage Register for Wales. They will have the power to make regulations relating to certain aspects of registration, heritage asset consents and appeals; the power to give class consents and issue directions to local planning authorities; and certain enforcement powers.
Draft Marine Bill	Will make provision for the establishment of a Marine Management Organisation; for a system of marine planning in the UK Marine Area; for the licensing of activities in that area; in connection with marine conservation zones and nature conservation; in relation to inshore and sea fisheries; and for access to the English coast. Assembly Ministers will be the planning authority for the Welsh inshore region, will license activities in that region, will designate marine conservation zones and carry out nature conservation functions in that region, and will have new enforcement powers and functions relating to fisheries.

Other Acts and Government Bills in session 2007-08 which apply to Wales

Bill	Notes
Banking (Special Provisions) Act 2008	Enables UK-incorporated banks and building societies to be taken into public ownership.
Child Maintenance and Other Payments Bill	Reforms the system of child maintenance; extends compensation for people suffering from diffuse mesothelioma.
Counter-Terrorism Bill	Makes provision to enhance counter-terrorism powers, including provision relating to pre-charge detention of terrorist suspects.
Criminal Justice and Immigration Bill	Introduces Youth Rehabilitation Orders and Violent Offender Orders; makes provision for sentencing, criminal justice and appeals; establishes HM Commissioner for Offender Management and Prisons; new offence of possessing extreme pornographic images; new powers to tackle anti-social behaviour.
Employment Bill	Repeals statutory dispute resolution procedures and makes provision to encourage resolution of disputes; strengthens the enforcement framework for the National Minimum Wage; strengthens employment agency standards; clarifies rights of trade unions to determine their membership.
European Union (Amendment) Bill	Enables the United Kingdom to ratify the Treaty of Lisbon.
Human Fertilisation and Embryology Bill	Amends legislation on assisted reproduction and makes changes to the regulation and licensing of the use of embryos in research and therapy.
Pensions Bill	Requires employers to enrol jobholders into workplace pension schemes and maintain their membership; simplifies and amends pensions legislation; makes provision for compensation paid by the Pension Protection Fund.
Banking (Special Provisions) Act 2008	Enables UK-incorporated banks and building societies to be taken into public ownership.

**Annex 3: Changes to Wales departmental expenditure limit for
2005-06 to 2008-09 since PESA 2006⁽¹⁾**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	£m	£m	£m	£m	£m	£m
	Outturn	Outturn	Estimated Outturn	Plans	Plans	Plans
Position at publication of PESA 2007 (Table 1.12) net of depreciation & impairments	11,999	12,949	13,790			
Depreciation & impairments	195	237	283			
Revisions to outturn		-168	-122			
Take up of End Year Flexibility			90			
Budget 2008 measures				1	1	2
Inter-Departmental Transfers			1	2	2	2
CSR outcome				14,552	15,244	16,056
<i>Subtotal</i>	<i>0</i>	<i>-168</i>	<i>-31</i>	<i>14,555</i>	<i>15,247</i>	<i>16,060</i>
Capital DEL plus Resource DEL	12,194	13,018	14,042	14,555	15,247	16,060
Less depreciation & impairments	-195	-179	-268	-282	-282	-281
Position at publication of PESA 2008 (Table 1.12) net of depreciation & impairments	11,999	12,839	13,774	14,273	14,965	15,779

(1) Totals may not sum due to roundings.

Annex 4: Departmental expenditure limit – Wales⁽¹⁾⁽²⁾

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
	outturn	outturn	outturn	outturn	outturn	provision	provision	provision	provision
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wales Office Resource									
Wales Office									
Administration Costs	3,037	2,949	3,705	3,969	4,200	4,966	7,310	7,110	3,261
Wales Office – other ⁽³⁾	95	93	98	253	195	373	373	373	373
Resource⁽⁴⁾	3,132	3,042	3,803	4,222	4,395	5,339	7,683	7,483	3,634
less depreciation and impairments	-37	-35	-35	-129	-48	-35	-35	-35	-35
Wales Office Resource⁽⁴⁾	3,095	3,007	3,768	4,093	4,347	5,304	7,648	7,448	3,599
Wales Office Capital									
Wales Office	34	51	194	127	33	766	766	766	766
Wales Office DEL⁽²⁾⁽⁴⁾⁽⁵⁾	3,129	3,058	3,962	4,220	4,380	6,070	8,414	8,214	4,365
NAW Resource	8,886,979	9,642,610	10,379,461	10,986,389	11,698,945	12,596,195	12,986,778	13,568,818	14,219,458
NAW Capital	1,004,307	984,866	1,008,132	1,208,350	1,319,488	1,568,237	1,568,227	1,678,005	1,841,261
NAW DEL ⁽³⁾	9,891,286	10,627,476	11,387,593	12,194,739	13,018,433	14,164,432	14,555,005	15,246,823	16,060,719
Total Welsh Block	9,894,415	10,630,534	11,391,555	12,198,959	13,022,813	14,170,502	14,563,419	15,255,037	16,065,084

(1) Totals may not sum due to roundings.

(2) Expenditure Voted on DCA Estimate, Request for Resources 3, To support the Secretary of State in discharging his role of representing Wales in the UK Government, representing the UK Government in Wales and ensuring the smooth working of the devolution settlement in Wales.

(3) Including depreciation.

(4) Resource + capital – depreciation.

(5) By convention Departmental Expenditure Limit budgets are expressed as resource and capital less depreciation. Therefore the resource and capital numbers in this table will not sum to the Departmental Expenditure Limit: the difference being depreciation.

**Annex 5: Grant Payable to the National Assembly for Wales 2006-07:
Original and final provision⁽¹⁾**

	Original Provision £m	Final Provision £m	Final Outturn £m
Expenditure Classified as DEL ⁽²⁾	13,088,818	13,305,921	13,018,433
Expenditure Classified as AME	320,146	1,433,073	562,885
Total Managed Expenditure	13,408,964	14,738,994	13,581,318
<i>Less:</i>			
Non Voted expenditure:			
LA Credit Approvals	163,396	163,396	163,396
Other Non-Voted	6,078	6,078	6,078
Resource Non Cash	422,466	447,246	309,826
Student Support (non-cash)	0	42,867	32,497
TOTAL NON VOTED TME	591,940	659,587	511,797
TOTAL VOTED TME	12,817,024	14,079,407	13,069,521
Voted receipts			
Contributions from the National Insurance Fund	-807,841	-807,091	-889,703
Total	-807,841	-807,091	-889,703
<i>Plus:</i>			
Student Support Cash Cover	171,231	0	99,411
Non Domestic Rates – timing adjustment	0	44,000	44,000
Housing – Exchequer contributions	0	1,004	1,004
TOTAL ASSEMBLY GRANT	12,180,414	13,317,320	12,324,233

(1) Totals may not sum due to roundings.

(2) Resource and capital DEL inc. depreciation.

Annex 6: Reconciliation of Grant Payable to the National Assembly for Wales with total managed expenditure for Wales 2007-08⁽¹⁾

	Original Provision £'000	Final Provision £'000	Estimated Outturn £'000
Expenditure Classified as DEL ⁽²⁾	14,073,067	14,163,058	13,934,421
Expenditure Classified as AME	539,728	481,870	461,114
Total Managed Expenditure	14,612,795	14,644,928	14,395,535
<i>Less:</i>			
Non Voted expenditure:			
LA Credit Approvals	163,396	163,396	163,396
Other Non-Voted	6,078	6,078	6,078
Resource Non Cash	499,481	559,261	461,112
AME Non-cash	375,948	384,471	384,471
TOTAL NON VOTED TME	1,044,903	1,113,206	1,015,057
TOTAL VOTED TME	13,567,892	13,531,722	13,380,478
Voted receipts			
Contributions from the National Insurance Fund	-890,566	-896,713	-897,433
Non Domestic Rates Receipts	-817,500	-821,700	-821,700
Total	-1,708,066	-1,718,413	-1,719,133
Plus additional cash requirement:			
Housing Stock transfer	0	142,100	145,976
Total	0	142,100	145,976
TOTAL ASSEMBLY GRANT	11,859,826	11,955,409	11,807,321

(1) Totals may not sum due to roundings.

(2) Resource and capital DEL inc. depreciation.

Annex 7: Reconciliation of Grant Payable to Welsh consolidated fund 2008-09⁽¹⁾

	2008-09 Original Provision £'000
Expenditure Classified as DEL	14,555,005
Expenditure Classified as AME	513,790
Total Managed Expenditure	15,068,795
Less:	
<i>Non Voted expenditure:</i>	
LA Credit Approvals	163,396
Other Non-Voted	5,172
Resource Non Cash	509,594
AME Non-cash	399,471
TOTAL NON VOTED TME	1,077,633
TOTAL VOTED TME	13,991,162
Voted receipts	
Contributions from the National Insurance Fund	-968,870
NDR Receipts	-853,500
Total	-1,822,370
TOTAL GRANT TO WELSH CONSOLIDATED FUND	12,168,792

(1) Totals may not sum due to roundings.

(2) Resource and capital DEL inc. depreciation.

Annex 8: Senior Civil Service salaries

Senior Civil Service Salaries in the Wales Office as at 31 March 2008:

The Wales Office has one member Senior Civil Service (SCS) graded at payband 2 in the salary range of £81,600 – £160,000.

Annex 9: Explanatory note

The Wales Office was established on 1 July 1999 following devolution.

In June 2003 the Wales Office became a separate entity within the Ministry of Justice formerly known as Department for Constitutional Affairs but reports to and supports the Secretary of State for Wales.

This annual report, which for accounting purposes is part of the Ministry of Justice Departmental Report on public expenditure, presents to Parliament the Government's forward expenditure plans for the Wales Office, including the grant it makes to the National Assembly for Wales.

If you have any general comments or queries about the annual report please forward them to Amanda Latham, Head of Finance and Administration, Wales Office, Gwydyr House, Whitehall, London, SW1A 2ER (Tel: 020 7270 0534 or e-mail: Amanda.Latham@Walesoffice.gsi.gov.uk). Alternatively further information can be obtained at our website: www.walesoffice.gov.uk.

The Welsh language version of the site is at www.swyddfa.cymru.gov.uk

The report has used these conventions:

- figures which round to zero are denoted by a dash (-) in tables. Because of rounding conventions, individual components may not always sum to the totals shown;
- from 1999-2000 the expenditure of the Wales Office and the grant to the National Assembly for Wales is contained within a single vote. All European Union receipts are treated as current receipts even though the National Assembly for Wales may use them for current or capital expenditure.



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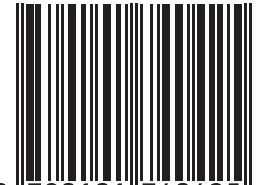
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