



Response by the Bevan Foundation

The Bevan Foundation develops solutions to poverty and inequality in Wales. It is an independent charity funded by grants from trusts and foundations and donations from individuals and organisations. Its views on how Wales should be run reflect charitable mission of reducing poverty and inequality, based on its experiences of working with people living on low incomes in all parts of Wales. They reflect the views of its Trustees but are not necessarily shared by the charity's funders or supporters.

1. What matters to you about the way Wales is run?

The governance of Wales should be based on the fundamental principles of:

- Accountability – all organisations that take decisions that affect people's lives should be clearly accountable to the people they serve. The mechanisms for accountability include citizen engagement and effective scrutiny as well as democratic election.
- Responsiveness – organisations should reflect the legitimate expectations and needs of citizens, which will normally mean that decisions are taken as close as possible to the communities that organisations serve.
- Clarity – it should be clear to ordinary citizens who is responsible for which public service, whether that is between UK government and devolved functions or between different organisations within Wales.
- Transparency – all organisations should be open and transparent in how they conduct their business.

These principles should inform consideration of the relationship between devolved and non-devolved public bodies and should also inform consideration of the current plethora of devolved public bodies.



2. What do you think the priorities for the commission should be?

The Commission's priority should be the needs of Welsh citizens and good governance by the institutions that serve them.

3. Thinking about how Wales is governed, by the Welsh Government and the UK government, what are the strengths of the current system, what aspects do you most value and wish to protect? Can you provide examples?

One of the strengths of the current system is where the Welsh Government and UK Government have common interests they can cooperate and leverage the greater budgets and powers of a UK-wide body. This was the case in, for example, the procurement of vaccines during the pandemic, or in the payment of certain social security benefits such as the state pension or maternity benefits. However this agreement is almost always assumed not sought.

4. Are there any problems with the current system, and if so, how could they be addressed? Again, please provide examples.

The current system has many problems.

A large number of functions are retained by UK government even though they closely align with devolved functions. The following are examples from housing which is widely regarded as a near-fully devolved area:

- housing in the private rented sector is subject to energy efficiency standards set by the UK Government, even though other aspects of energy efficiency and most aspects of regulating privately-rented homes are devolved;
- Local Housing Allowance is determined by UK Government, even though it has a direct impact on devolved functions such as homelessness;
- UK Government requirements limit total local authority expenditure on discretionary payments (Discretionary Housing Payments) to avoid or relieve homelessness – for which they a duty in Welsh law.



These retained functions limit Welsh public bodies' ability to comply with Welsh legislation and fulfil their own democratic mandate. A clear example occurred in the pandemic when the Welsh Government wished to exercise its public health powers to restrict the opening of some workplaces but the UK Government, which was responsible for the Coronavirus Job Retention Scheme (furlough), would not contribute to replacing wages if premises closed.

There are major issues which can arise at the interface between devolved and non-devolved functions. Not only are these issues rarely recognised, but there is no mechanism to manage them nor compensate either administration for the consequences. An example is changes to the social security system in respect of help with people's housing costs. Up to the mid-2010s, the UK government spent approximately £1bn on non-devolved housing benefit which helped people in low-income households to pay their rent. Multiple changes in the social security system have limited the help that people can receive, resulting in changes in the type of home tenants seek, increased risk and incidence of homelessness, and higher costs for local authorities and social landlords.

The system of funding of devolved public services and controls on capital expenditure are also problematic. The shortcomings of the Barnett formula are well-documented and are compounded by decisions about the extent to Wales does, or does not, benefit from expenditure in England. Expenditure on HS2 is an obvious example but there are many more. The Welsh Government's ability to chart a different fiscal path from that of England is also constrained by the current provisions in respect of the devolved rate of income tax and any new devolved taxes that the Welsh Government might wish to introduce.

5. Thinking about the UK government, the Welsh Government and Welsh local government (your local council), what do you think about the balance of power and responsibility between these 3 types of government – is it about right or should it change and if so, how? For example, who should have more power, or less?



The same principle of decisions being taken as close as possible to people affected by them should apply to arrangements for governance within Wales. This is not just a matter of delegating administration or devolving responsibility for specific functions – it is about empowering the sphere of government that is closest to people to be effective leaders of their respective communities. This requires a shift in approach across all spheres of government.

Crucially, where functions are retained, the UK government must acknowledge, respect and support decision-making by the Welsh government. There have been many examples recently where this has not been the case, and the continued lack of regard and respect for the Welsh Government is damaging for Wales and especially for vulnerable people.

Similarly, the Welsh Government must acknowledge, respect and support decision-making by local government, including town and community councils. That includes ending top-down and micro-management of local functions by other tiers.

The relationship between UK, Welsh and local authorities is not the only issue affecting the governance of Wales. Of equal concern is the plethora of other public and semi-public bodies, such as health boards, colleges of further education, universities, police and fire services, national park authorities, social landlords, leisure trusts, public transport providers and county joint committees, plus three Commissioners for different groups of people. The sheer number of bodies, their varied geographical footprints and overlapping responsibilities are deeply confusing to the public. They often have limited accountability to the communities they serve, limited transparency in how they operate and varied systems of complaints and redress.

These features, combined with the confusion and uneasy relationships between the Welsh and UK Governments, have created a governance minefield. It is too often the most vulnerable in society who are most adversely affected.

6. As a distinct country and political unit, how should Wales be governed in the future? Should we:



**Y Comisiwn Annibynnol ar
Ddyfodol Cyfansoddiadol Cymru**
**The Independent Commission on
the Constitutional Future of Wales**

- broadly keep the current arrangements where Wales is governed as part of the UK, and the Westminster Parliament delegates some responsibilities to the Senedd and Welsh Government, with those responsibilities adjusted as in Q5, OR
- move towards Wales having more autonomy to decide for itself within a more federal UK, with most matters decided by the Senedd and Welsh Government, and the Westminster Parliament decides UK-wide matters on behalf of Wales (and other parts of the UK) OR
- move towards Wales having full control to govern itself and be independent from the UK OR
- pursue any other governance model you would like to suggest
- alongside any of these options, should more responsibilities be given to local councils bringing decision making closer to people across Wales and if so, please provide examples.

The Bevan Foundation considers that decisions about the future governance of Wales should be determined by the people of Wales.

In the absence of a mechanism to test people's views, the Bevan Foundation considers that more autonomy in decision-making on matters that affect Wales, combined with strengthening and streamlining governance within Wales, would ensure that decisions better reflect people's needs and circumstances.

Where matters are decided on a UK-basis, it should be done through agreement of the constituent nations.

7. Overall, what is most important to you in about the way in which Wales should be governed in the future? Is there anything else you want to tell us?

The most important issue is that organisations are actively accountable to people they serve and deliver high quality services that are responsive to people's needs. In our view this is best achieved by a high level of devolution from the UK to Wales, with further devolution to local level, coupled with effective leadership across the board.