

Wales Office

Annual Report 2007





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Annual Report by the Wales Office

Presented to Parliament by the Secretary of State for Wales

By Command of Her Majesty

[May 2007]

This document is part of a series of Departmental Reports (Cm 7091 to Cm 7117) which, along with the Main Estimates 2007-08, the document Public Expenditure Statistical Analyses 2007 and the Supplementary Budgetary Information 2007-08, present the Government's expenditure plans for 2007-08, and comparative outturn data for prior years.

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Foreword

By the Secretary of State for Wales

The fifth annual report that I present to Parliament as Secretary of State for Wales covers a year that has been the busiest yet for the Wales Office with an unprecedented level of Welsh legislation.

The Government of Wales Act 2006, which completed its passage through Parliament in July, provided for what was the biggest transfer of power from Westminster to Wales since the National Assembly for Wales was set up in 1999.

The Act provides Wales with a new constitutional settlement that will endure for a generation or more. By granting enhanced legislative powers, it will enable the Assembly to deliver tailor-made policies for the people of Wales.

As we have seen, devolution has already brought unprecedented economic stability to Wales, with employment at historically high levels.

Ten years after the historic 'Yes' vote, there can be no doubt that Wales is going in the right direction. The spectre of industrial decline, unemployment and run-down public services, which haunted Wales throughout the 1980s and 1990s, has vanished. In its place, we have a vibrant and diverse economy, record numbers of jobs, with ten years of continuing growth never before achieved in our history, and public services going from strength to strength.

The 'Team Wales' approach has seen Westminster and Cardiff Bay working together in partnership, alongside local authorities, employers, unions and other stakeholders. This partnership approach to government has enabled the Welsh economy to make significant strides forward, with real achievements to celebrate.

The progress we have made puts us in better shape to face up to the huge challenges facing Wales in the decades to come. The £1 billion spending boost for Wales from this year's Budget will help cement this progress.

The announcement in January that St Athan in the Vale of Glamorgan will be the site of the Ministry of Defence's new state-of-the-art Defence Training Academy – an immense £16bn investment bringing some 5,500 jobs to Wales – was a powerful testament to just how successfully the Welsh economy has repositioned itself to meet the challenges of the future.

Devolution has helped unlock the potential of Wales and brought real improvement to people's lives. With the Government of Wales Act 2006 heralding a new era for devolution in Wales, this is a success story that has only just begun.

I am proud that the Wales Office will continue to play a crucial part in ensuring these changes to the devolution settlement are implemented smoothly and effectively to the benefit of all people in Wales.



Rt. Hon Peter Hain MP

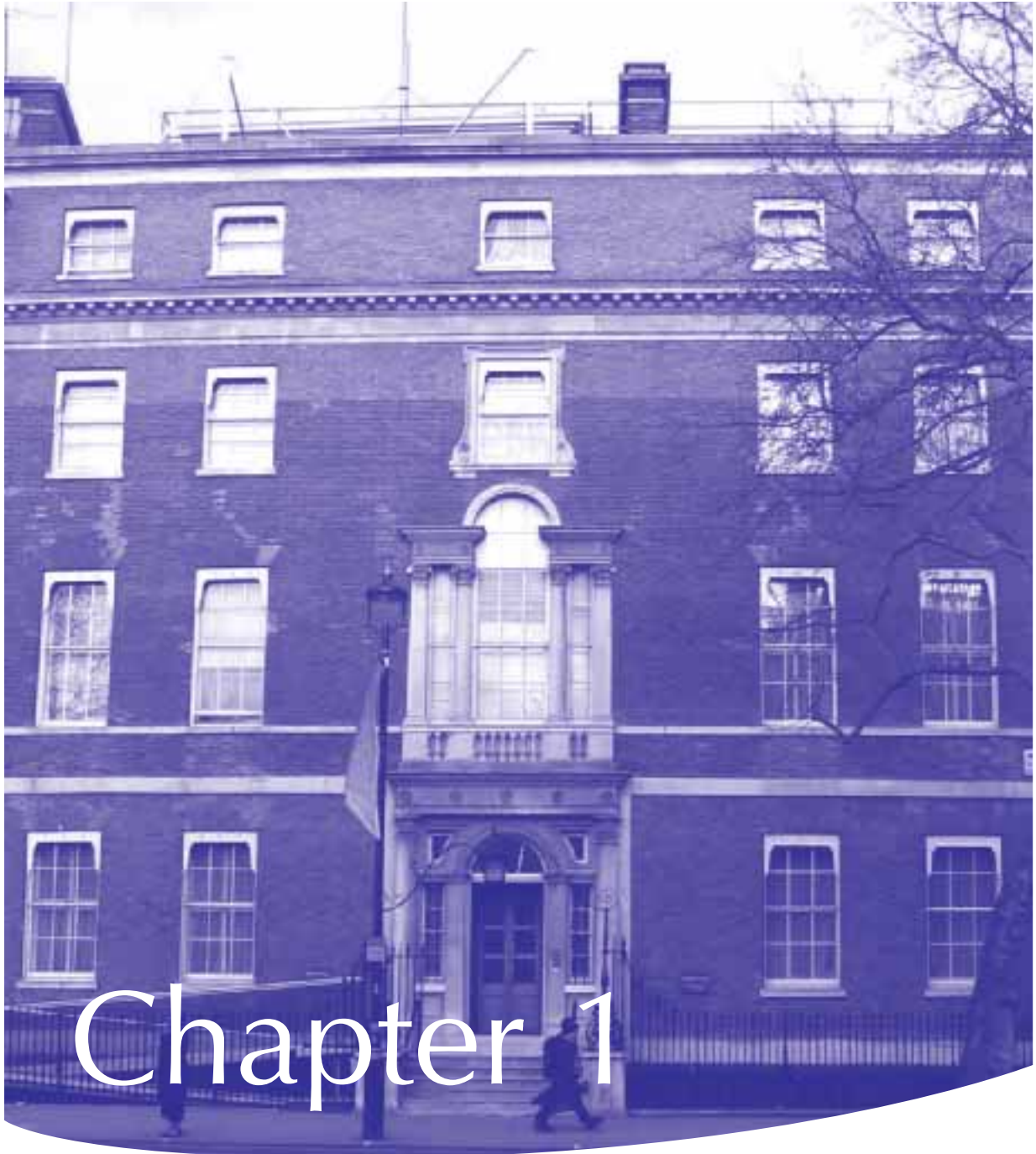


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WALES OFFICE



Chapter 1

Who we are and
what we do

Chapter 1: Who we are and what we do

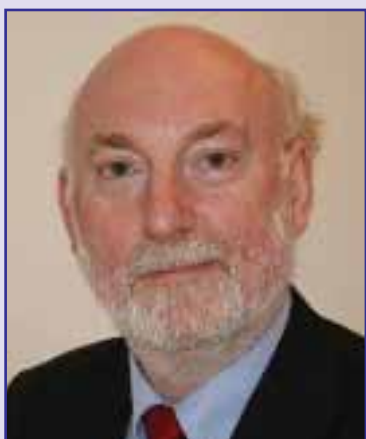
1.1 Ministerial Responsibilities



Secretary of State for Wales

The Rt Hon Peter Hain MP

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



Parliamentary Under Secretary of State

Nick Ainger 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.

- Both Ministers also monitor Assembly policies to ensure liaison between the appropriate interested parties.
- The Secretary of State is a member of the Cabinet, speaking for Welsh interests in legislation, and in those areas which remain the responsibility of UK Parliament.



Lord Evans of Temple Guiting, spokesperson in the House of Lords



Baroness Morgan of Drefelin, spokesperson in the House of Lords



Huw Irranca-Davies MP Government Whip with responsibilities for Welsh MPs

1.2 Key Achievements 2006-07

■ **Government of Wales Act 2006**

Received Royal Assent on 25 July 2006. Provides for enhancing the legislative powers of the National Assembly for Wales (the Assembly); ends the confusing corporate status of the Assembly; changes the electoral system for the Assembly; provides a referendum mechanism for further devolution of powers.

■ **Commissioner for Older People (Wales) Act 2006**

Received Royal Assent on 25 July 2006. Establishes a Commissioner with duty to promote and safeguard the interests of older people in Wales.

■ **Provisions relating to Wales and smoking in public places in the Health Act 2006**

Received Royal Assent on 19 July 2006. Gives the Assembly powers to implement its own policy on banning smoking in public places.

■ **The National Assembly for Wales (Transfer of Functions) Order 2006**

Made on 7 June 2006. Transfers to the Assembly Fire Safety functions and additional functions about student tuition fees.

■ **The National Assembly for Wales (Disqualification) Order 2006**

Made on 14 December 2006. Lists those office and post-holders who are disqualified from being an Assembly Member.

■ **The National Assembly for Wales (Transfer of Functions) (No.2) Order 2006**

Made on 14 December 2006. Transfers to the Assembly functions relating to the Census, and regularises the scope of its water industry functions.

■ **The National Assembly for Wales (Representation of the People) Order 2007**

Made on 31 January 2007. Updates the arrangements for the conduct of Assembly elections. Improves security of voting, increases openness and transparency and removes barriers to voting.

1.3 The work of Wales Office Ministers

Wales Office Ministers represent Welsh interests within Government by sitting on twenty Cabinet committees and on the Joint Ministerial Committee.

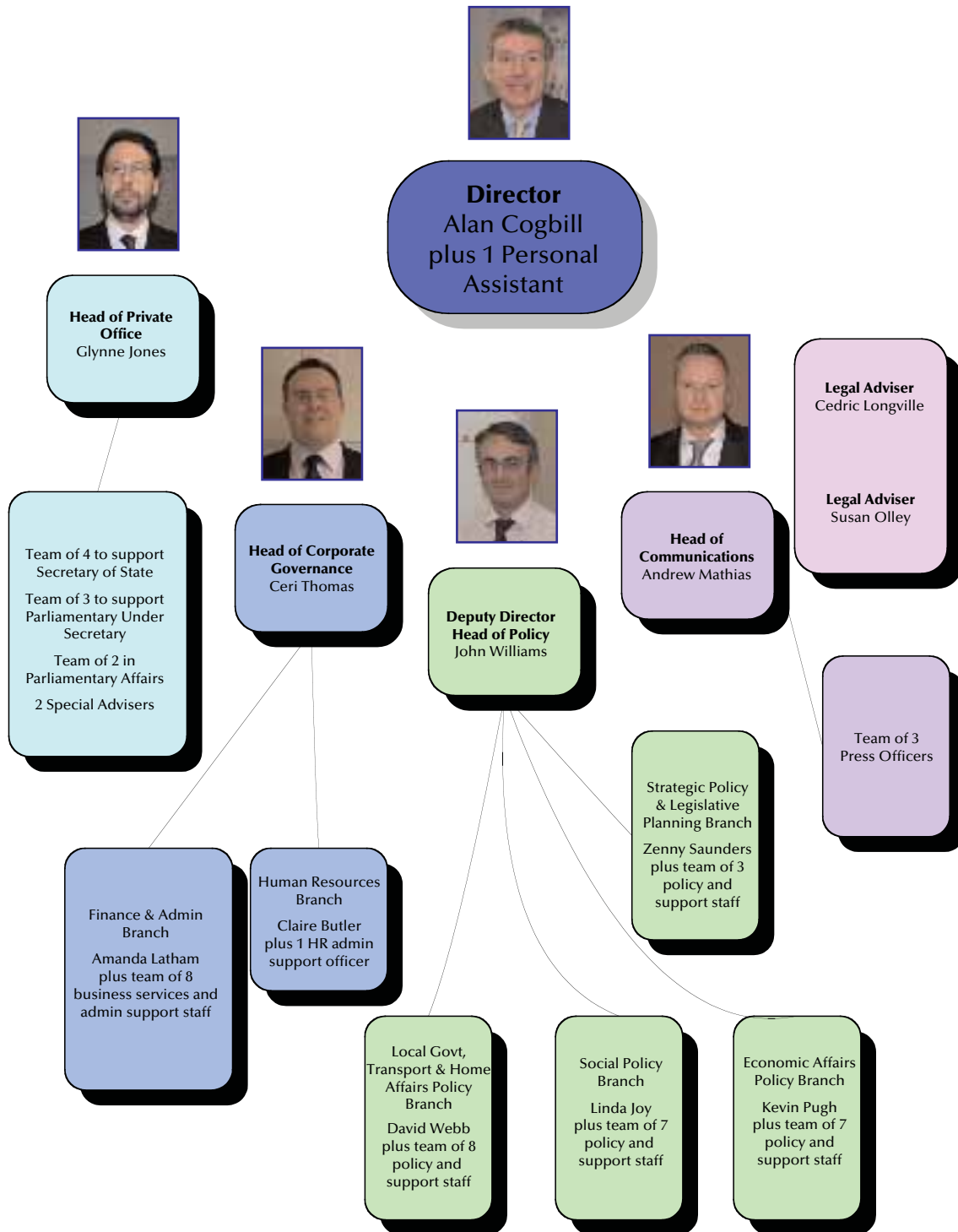
They work closely with Assembly Ministers. The Secretary of State and the First Minister meet regularly, and the Parliamentary Under Secretary has regular discussions with Assembly Ministers. The Secretary of State consults the full Assembly on the Government's legislative programme, and Ministers also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



1.4 Divisional Responsibilities



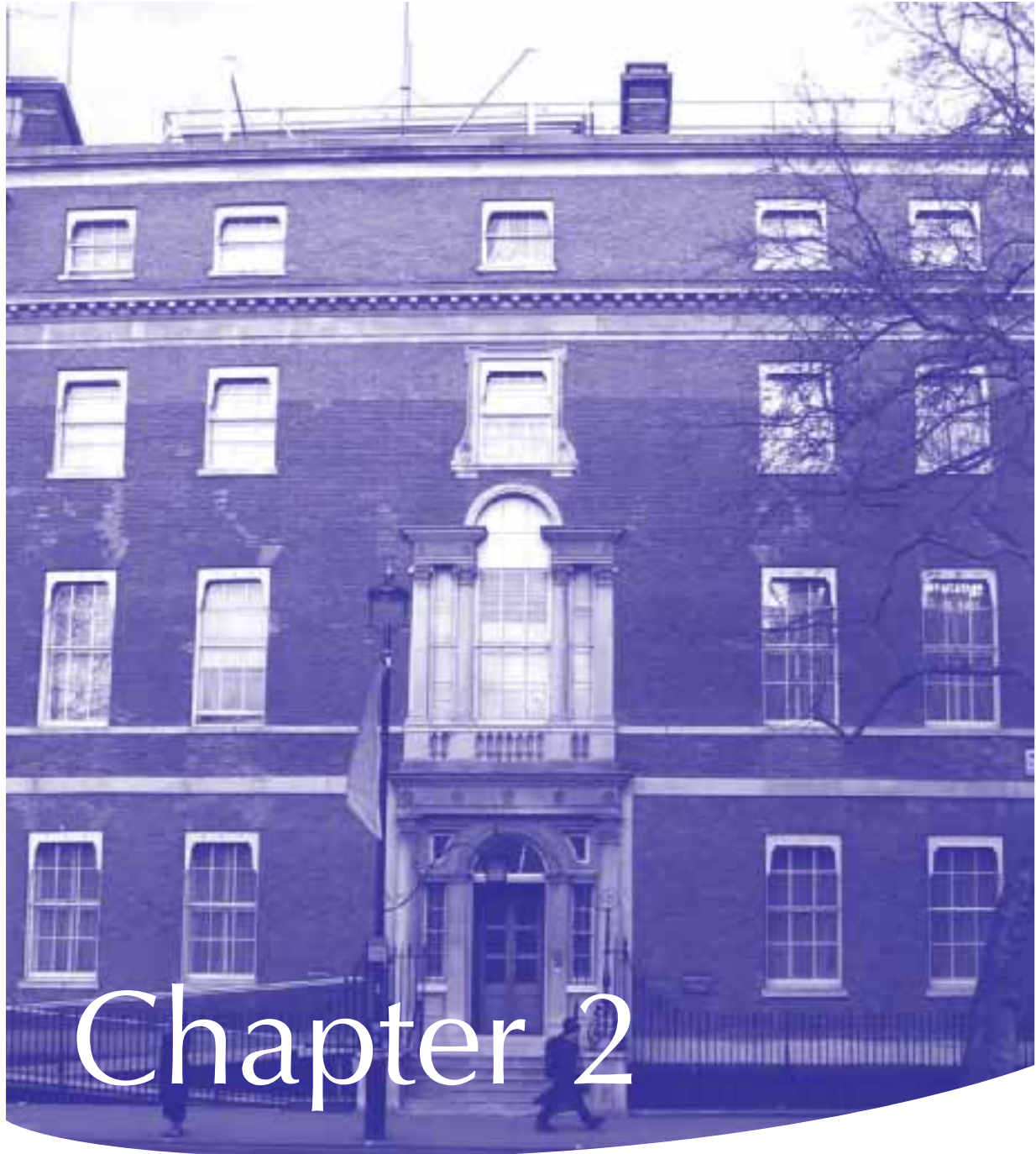
*Figures stated are posts, the number of people at any time may be different



Secretary of State for Wales Peter Hain and First Minister Rhodri Morgan celebrate passage of the Government of Wales Act 2006 outside the Senedd Building, Cardiff Bay, last July.



WALES OFFICE



Chapter 2

Constitution and Legislation



Chapter 2: Constitution and Legislation

2.1 Constitutional Framework of Wales

The Government of Wales Act 1998 created the National Assembly for Wales and devolved responsibility for key policy areas such as Education and Health to it.

In 2005, the Government committed itself to enhancing the devolution settlement in Wales, creating a formal separation between the legislative and executive arms of the National Assembly for Wales, and to banning dual candidacy at Assembly elections.

The 2005 White Paper “Better Governance for Wales” – forerunner to the Government of Wales Bill – recognised the distinct legislature in Wales. It gave direction that Welsh provisions in UK Bills should be broadly drafted, providing more freedom for the Welsh Assembly Government to apply policies in the light of Welsh needs and interests. These distinct clauses in UK Bills are known as “framework powers” and examples can be found in the NHS Redress Act 2006 and the Education and Inspections Act 2006.

2.2 Government of Wales Act 2006

The Act advanced the devolution settlement in Wales with provisions for **increased legislative powers for the Assembly** – providing opportunity for the National Assembly for Wales to seek legislative powers to pass Assembly Measures, a new type of legislation specific to Wales. Legislative powers can be sought via UK Bills or via a new Order in Council process. The Act also puts on the statute book full primary powers in devolved areas following a favourable referendum result.

Separation – From May 2007, the First Minister will be nominated by the Assembly and appointed by The Queen. A new Assembly Commission will replace the Assembly Parliamentary Service, and there will be a new post of Counsel General, who will be the principal source of legal advice to the Welsh Assembly Government.

Dual candidacy – the Act introduces changes to the Assembly electoral arrangements to prevent candidates from standing for both a regional and constituency seat.

2.3 Further subordinate legislation

To implement the Government of Wales Act 2006, several statutory instruments are required. The Wales Office is working with the Welsh Assembly Government to ensure that all the necessary subordinate legislation is in place.

The main Orders to be made are:

Orders requiring affirmative resolution in Parliament (including debate in both Houses)

- The Government of Wales Act 2006 (Consequential Modifications and Transitional Provisions) Order 2007
- Representation of the People (National Assembly for Wales) (Access to Election Documents) Regulations 2007
- Future Order in Council which will amend Schedule 7 to the Government of Wales Act 2006

Orders subject to negative resolution in Parliament

- The National Assembly for Wales (Transfer of staff to the Assembly Commission Scheme) Order 2007
- The National Assembly for Wales (Diversion of Functions) Order 2007
- The National Assembly for Wales Commission (Local Government Contracts Act 1997) (Modifications) Order 2007
- The Government of Wales Act 2006 (Transitional Provisions) (Miscellaneous) Order 2007
- The Government of Wales Act 2006 (Transitional Provisions) (Finance) Order 2007
- The Government of Wales Act 2006 (Consequential Modifications) (Crown Proceedings Act 1947) Order
- The Employment Tribunals (Constitution and Rules of Procedure) (Amendment) Regulations 2007

Orders in Council

- The National Assembly for Wales (Legislative Competence) (Conversion of Framework Powers) Order 2007
- The National Assembly for Wales (Transfer of Property, Rights and Liabilities) Order 2007
- The National Assembly for Wales Commission (Crown Status) Order 2007

Standing Orders

The new standing orders for the National Assembly for Wales following the elections in May 2007 were published on 22 March 2007 by the Secretary of State for Wales and can be found on the Wales Office website.

2.4 Legislative Provision in Wales

The 2005-06 Session of Parliament saw an unprecedented amount of Welsh legislation, with 26 Acts giving powers to the National Assembly for Wales. Details are at Annex 1.

During the 2005-06 Parliamentary Session there were four Wales-only Acts:

- **Government of Wales Act 2006**
Received Royal Assent on 25 July 2006 and its key provisions are outlined in part 2.2 of this report.
- **Transport (Wales) Act 2006**
Received Royal Assent on 16 February 2006. It imposes a duty on the National Assembly for Wales to prepare a transport strategy and enables development of more integrated public transport services.
- **Commissioner for Older People (Wales) Act 2006**
Received Royal Assent on 25 July 2006. It establishes a Commissioner with duty to promote and safeguard the interests of older people in Wales.
- **National Health Service (Wales) Act 2006**
Received Royal Assent on 8 November 2006. It consolidates the National Health Service legislation of Wales.



Acts with specific legislative provisions for Wales

The most significant were the NHS Redress Act 2006 and the Education and Inspections Act 2006, both of which included framework powers for the National Assembly for Wales. Other Acts included the Animal Welfare Act 2006, the Legislative and Regulatory Reform Act 2006 and the Violent Crime Reduction Act 2006.

2.5 Future Legislation for Wales

When the Government of Wales Act 2006 is fully implemented following the 2007 Assembly elections, there will be three main vehicles to enhance legislative powers for Wales.

- UK Acts – where provisions extend to Wales, or framework powers which amend schedule 5 of the Government of Wales Act 2006, to specify matters on which the National Assembly for Wales will have legislative competence
- Wales-only Bills
- Orders in Council

UK Acts

Wales-only Acts in a devolved area are likely to become less frequent as it will often be expeditious for Parliament to confer legislative competence on the Assembly by way of an Order in Council. However, primary legislation covering England and Wales after May 2007 will continue to make provision for Wales where appropriate. In some cases, the Assembly will simply wish to have these provisions apply equally in Wales. On those occasions Parliament will (with the Assembly's consent) apply those provisions to Wales as well, consistent with the White Paper "Better Governance for Wales".

Framework Powers

These are broadly-drafted powers which will confer legislative competence on the National Assembly for Wales by amending Schedule 5 to the Government of Wales Act 2006 to include a new specified matter. Therefore they will not contain the detail of any subsequent legislation that the Assembly may make by Measure, but will describe the National Assembly for Wales' competence to make legislation in this area.

All proposed framework powers will be accompanied by an explanatory memorandum setting out the background of existing executive and legislative provisions, and any relevant context of policy review and development.

Parliament will be able to scrutinise framework powers in Bills by bringing forward amendments in the same manner as for other provisions in primary legislation. Any Assembly Measure subsequently brought forward under those powers would be subject to full scrutiny by the Assembly.

Orders in Council

- Under Schedule 5 of the Government of Wales Act 2006, an Order in Council may be made to give legislative competence to the National Assembly for Wales in specified matters (inserting them into schedule 5 to the Act), in the same way as framework powers in acts of Parliament.
- Each Order in Council will authorise the Assembly to make legislation (Assembly Measures) within the scope of matters set out in the Order.

The Order in Council process falls into three distinct stages:

- 1 Development and agreement of proposals between the Welsh Assembly Government, the appropriate UK Departments and the Wales Office;
- 2 Pre-legislative scrutiny;
- 3 Assembly and Parliamentary consideration of the draft Order in Council.

This mechanism provides a route by which the Assembly can seek legislative competence from Parliament in addition to the current and continuing process of seeking provision in UK Bills.

The Order in Council process will provide a legislative vehicle for the Assembly that avoids the need to bid for a slot in the UK legislative programme, so avoiding any possible Parliamentary logjam.

The UK Government for its part is committed to ensuring proper scrutiny of Orders in Council, how this is delivered is a matter for Parliament. The Welsh Assembly Government will produce an explanatory memorandum to accompany each proposed Order in Council, which will be placed in the Libraries of both Houses.

Wales-only Bills

It will remain open to the Secretary of State for Wales to bid for a slot in the UK Parliamentary programme on behalf of the Welsh Assembly Government. However, in light of the new developments in framework powers in UK Bills and the use of the Order in Council process, there may be little need for Wales-only Bills.

Assembly Measures

The Government of Wales Act 2006 provides for a new type of legislative instrument – Assembly Measures – which will be subject to full Assembly scrutiny comparable to that of primary legislation at Westminster. Measures must fall within the legislative competence conferred via the new Order in Council process or framework powers in Bills. Using these legislative powers the Assembly will then be able to pass Assembly Measures.

Because Schedule 5 will be amended by either a framework power provision or by Order in Council, there will be one coherent statutory source for the Assembly's powers to enact Measures.



2.6 Whitehall Training Programme

Wales Office and Welsh Assembly Government officials are jointly delivering an unprecedented education programme to make more key officials in UK Government Departments aware of the new Welsh Devolution settlement, and its implications for their work.

2.7 Devolution Guidance Notes

Devolution Guidance Notes are available on the Department for Constitutional Affairs website or by contacting the Wales Office. The Wales Office is updating the guidance which will be available via the links below:

DGN 1 – Common Working Arrangements

- <http://www.dca.gov.uk/constitution/devolution/guidance/dgn01.pdf>

DGN 4 – Role of the Secretary of State for Wales

- <http://www.dca.gov.uk/constitution/devolution/guidance/dgn04.pdf>

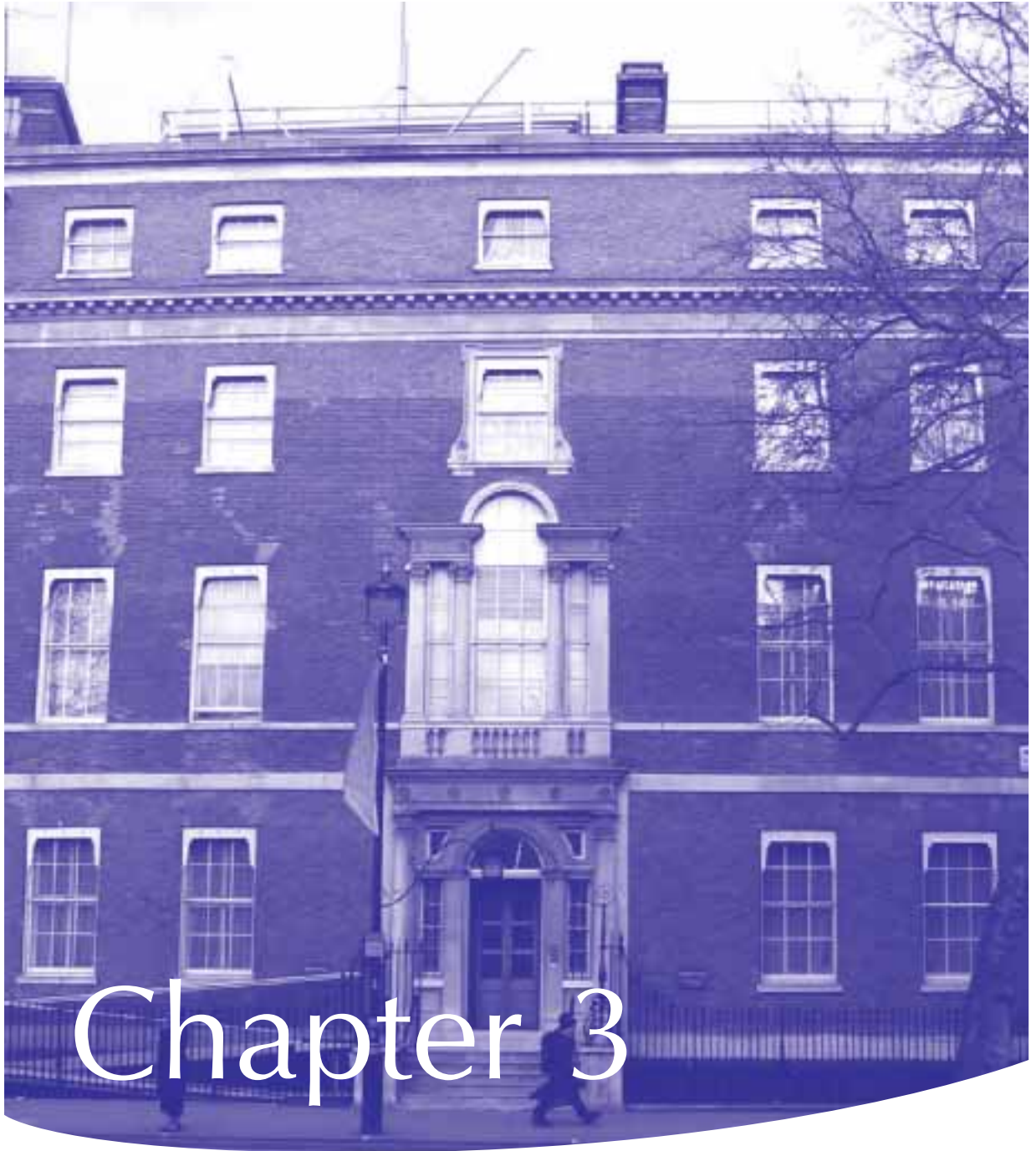
DGN 9 – Post-Devolution Primary Legislation affecting Wales

- <http://www.dca.gov.uk/constitution/devolution/guidance/dgn09.pdf>

2.8 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
- Other statutory instruments relating to the Government of Wales Act 2006



Chapter 3

Championing Wales

Chapter 3: Championing Wales

Our responsibilities and commitment to Wales extend beyond setting and maintaining the legislative and constitutional framework, and include efforts to promote Wales at an economic and cultural level.

Wales Office Ministers play a key role in promoting the economy and culture of Wales, and are well placed to play an influential role in these matters, at home and abroad. Ministers promote Wales and its people in many ways, including:

- Visiting industry and businesses in Wales to promote Welsh economic success;
- Engaging with international business leaders to promote inward investment into Wales;
- Discussing labour issues with union leaders and workers' representative groups;
- Promoting Wales on visits overseas;
- Engaging with the Press to promote Welsh interests;
- Attending national events to recognise business, sporting and cultural excellence in Wales;
- Recognising community issues and needs;
- Promoting energy production in Wales, including from renewable sources;
- Recognising and promoting diversity in Wales;
- Engaging with the broader Welsh diaspora, both across the UK and overseas;

Championing Innovation

A visit to Technium CAST in North Wales last year brought Secretary of State for Wales Peter Hain right up to speed with the latest computer software. The Technium, based in Parc Menai, Bangor last year attracted Inspired Gaming Group, Europe's leading provider of entertainment and gaming platforms to base its global network operations centre in Bangor creating 190 jobs.

After a tour of the facilities on offer to companies Mr Hain said: *"Having a strong and rapidly growing software base in North-West Wales has helped Wales to attract investments such as Inspired Gaming Group."*

"Technium CAST and the strong cluster around it is proving to be a magnet for attracting good quality investment and employment into the area. This highlights how Wales is taking the lead in today's global technology race."



Championing Development

With the industrial landscape of South-East Wales transforming so rapidly in recent years thanks to the growth of high-tech companies Wales Office Minister Nick Ainger took the opportunity in the summer to visit a number of the new developments.

One site that is continuing to grow is the EADS Defence and Security Systems headquarters based in Newport.

After visiting EADS Mr Ainger said: *“EADS Defence and Security Systems is bringing a huge amount to the local economy of South-east Wales. They have won a number of defence and civil contracts with one which was secured last year creating another 100 highly skilled jobs for Newport.”*



“The regeneration of South-East Wales is well underway and with successful companies such as EADS establishing a strong base there I am sure it will continue to go from strength to strength.”

Championing Community Safety

At the end of last year Secretary of State for Wales, Peter Hain visited North Wales to meet residents of a Llandudno Junction estate who had seen their community destroyed by the opening of a crack house.

After residents complained, police issued a closure notice for anti-social behaviour. Since the tenant's eviction civil disorder incidents have plummeted by 75 per cent.

After meeting tenants, Mr Hain said: *“The residents I met with described to me how they were at their wits' end. The legislation we brought in was intended to crack down on neighbours from hell and to help people like those living on Marl Drive. We have now put the law on the side of the people, rather than on the side of the bad guys. All the neighbours really did feel liberated.”*



Championing the Environment



Wales Office Minister Nick Ainger, whose ministerial responsibilities include green issues, visited the Centre for Alternative Technology (CAT) at Machynlleth back in August.

With the Government's Energy Review setting out a real commitment to tackling climate change and developing clean energy at affordable prices, centres such as CAT have a vital role to play in helping to achieve this.

Commenting on his visit to CAT Nick Ainger said: *"The Centre for Alternative Technology is at the forefront of providing green solutions to environmental problems.*

"It is one of the leading eco-centres in Europe and through its programmes for research, development and public education it is helping to make Wales a centre of excellence for renewable energy."

Championing Equality

Secretary of State for Wales Peter Hain presented the Welsh Woman of the Year 2006 award to Siân Eirian, the first woman to head up the Urdd Eisteddfod. As a director of the Urdd, Siân is responsible for co-ordinating the Eisteddfod and developing arts opportunities for 50,000 children.

The prestigious awards aim to promote the role women have in the workplace and in every sector of society of Wales. They raise awareness and reflect and reinforce the changing role of women over the last eleven years by celebrating their achievements and the value of their contributions to the stability of Wales.



Other awards presented at the Western Mail-organised event included Woman in Innovation, Woman as Educator, Small Business Owner and Most Effective Returner to Work.

Championing Culture

The Wales Office contributed to the UK Government's commemoration of the bicentenary of the 1807 Abolition of Slavery Act with a series of events and visits in Wales, London and overseas. In February the Secretary of State hosted a reception at the British Counsel General Offices in New York to commemorate the bicentenary. Among the guests were Paul Robeson Jr, son of the singer and human rights campaigner Paul Robeson, and members of the multi-racial New York Labor Chorus.



In March the Wales Office published a bilingual booklet to commemorate the bicentenary in Wales. The publication, which outlines Welsh links to the slave trade, the impact of the slave trade on the history of Wales, especially in industry and highlights work to eradicate continuing issues of racism and modern-day slavery, has been distributed to all schools in Wales.

Championing Sport

In November, Secretary of State Peter Hain joined an array of Welsh and international rugby stars, including (pictured) Jonathan Davies, Xavier Rush and Robert Howley, at the 'Greatest-Ever Welsh Rugby Club' dinner at Cardiff's City Hall. The event was in aid of the Welsh Rugby Former International Players Association (WREX), whose aim is to relieve the poverty and hardship of Welsh international players whose playing injuries impact on their earning capacity after rugby. Mr Hain toasted the 200th anniversary of the birth of William Webb-Ellis, the father of rugby, and the importance of the game to the Welsh nation.



Championing Investment

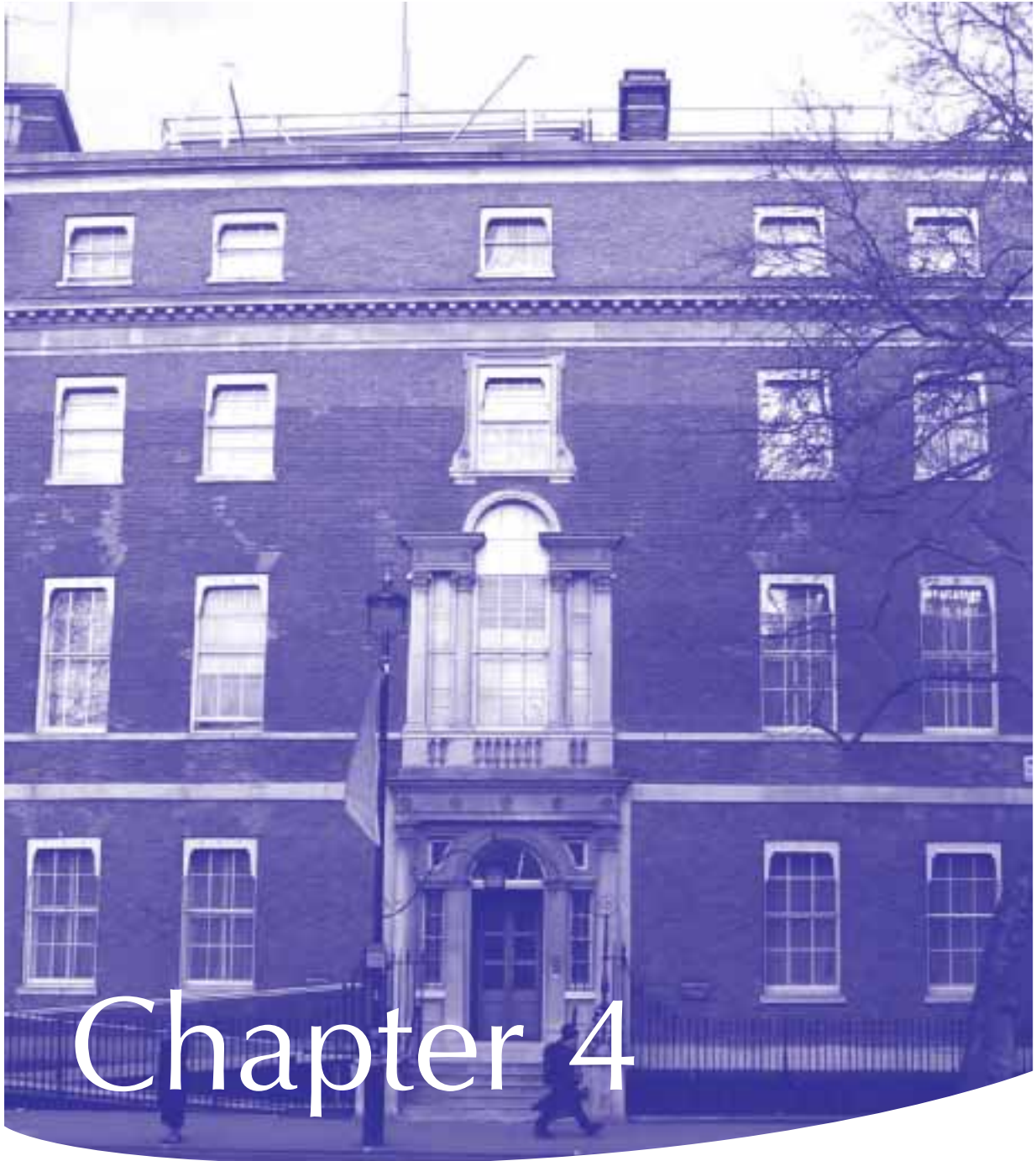
The decision to create a Defence Training Academy at St Athan, Vale of Glamorgan, was a massive boost for Wales. This £16 billion contract will bring more than 5000 jobs to Wales, with significant supply chain opportunities for local businesses. It will also provide opportunities for improved road and public transport.

The Wales Office will continue to play its part, with the Ministry of Defence, the Metrix Consortium and the Welsh Assembly Government, as a member of the inter-government steering group which is taking the project forward.

Speaking after the announcement in January, Secretary of State Peter Hain said: *"This massive boost for St Athan is a direct result of the strong partnership between Cardiff and London. Wales has a world-beating team, and by working together every step of the way, we have shown that Wales can compete at the highest level. In short, Wales can do it"*.



An artist's impression of the Defence Training Academy in St Athan.



Chapter 4

Objectives and Delivery



Chapter 4: Objectives and Delivery

Looking forward: Aims and Objectives for 2007-08

The Wales Office aims and objectives for 2007-08 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 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.

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.

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 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.

4.3 Looking back: Delivery against Objectives in 2006-07

Objective 1

1a. To work with the Welsh Assembly Government and UK Government Departments to secure:

- **the passage through Parliament of Wales-specific Bills and England and Wales Bills with Wales-specific provisions, in particular the Government of Wales Bill, and administrative arrangements for Assembly elections and;**
- **the implementation of changes to the Welsh devolution settlement, which flow from the Government of Wales Bill once enacted.**

1b. To enable 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.

1c. Consider with Cabinet colleagues whether changes should be made to the Welsh devolution settlement and implement any which are agreed.

The Wales Office continues to work closely with the Assembly. Our greatest achievement to date since the Office was formed in 1999 occurred on 25 July 2006 when the Government of Wales Bill received Royal Assent. The Act, which we steered through Parliament, heralds a new era for devolution and has settled the constitutional debate for a generation.

Following the May 2007 elections, the Assembly receives enhanced legislative powers to enable it to deliver tailor-made policies for the people of Wales. For the first time, the Act puts primary powers for Wales on the statute book, ready to be activated once the people of Wales support such a change in a referendum.

In addition, numerous Transfer of Functions Orders in areas such as education and fire safety, have transferred other powers to the Assembly.



Objective 2

To maintain and improve the devolution settlement through:

- **fostering partnership working between the devolved administration in Wales and the UK Government, and with the other devolved administrations, about distinctive Welsh interests in relation to non-devolved matters,**
- **advising UK Departments and other devolved administrations about distinctive Welsh interests in relation to non-devolved matters,**
- **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.**

The Wales Office always seeks to engage in the legislative process as early as possible, in order to ensure that Welsh interests are fully considered. In the past year, we have worked with Government Departments on Welsh elements of primary legislation in the NHS Redress Bill, the Education and Inspections Bill and the Further Education Bill. We have monitored other legislation such as the Mental Health Bill. We have also contributed to the forthcoming Energy and Planning White Papers, highlighting Welsh interests.

As well as the Government of Wales Bill, we oversaw the passage through Parliament of the groundbreaking Commissioner for Older People (Wales) Bill.

Wales Office Ministers contributed to a range of Cabinet Committees on reserved functions. Officials have provided devolution awareness training for civil servants throughout Whitehall and made devolution guidance available. Officials have met regularly with their counterparts in other Departments to ensure consistency of approach to the conduct of elections and devolution policy.

Contributions have also been made to the review of the BBC's Royal Charter, the Sustainable Energy Policy Network and discussions on the future of the rural post office network.

The Welsh Sub-Group of the Coal Health Claims Monitoring Group, chaired by Parliamentary Under Secretary of State, has helped oversee payments to former miners and their families, which have now passed the £600m milestone.

Wales Office Ministers hold regular meetings with Cabinet colleagues and Welsh Assembly Government Ministers to take forward Welsh interests.

The Wales Office issued a joint consultation document, with the Department of Health, on proposals to make enclosed public places and work places smoke-free. We have contributed to the Welsh Assembly Government and Ministry of Defence joint working group on DARA St Athan, helped to plan lobbying in Europe on Cardiff's bid for the Galileo Supervisory Authority and have worked closely with the Welsh Assembly Government to plan activities on attracting further civil service jobs to Wales, in line with the Lyons Review.

Objective 3

Ensuring effective transmission of grant to the National Assembly for Wales:

- **to keep under review, with Treasury and the National Assembly for Wales and the Welsh Assembly Government, the operation of the funding policy for the devolved administrations,**
- **to engage in preparations for the Comprehensive Spending Review in 2007.**

Funding allocations to the Assembly have been made in accordance with the Statement of Funding Policy, last updated as part of the Spending Review 2004.

SR 2004 continued the Government's commitment to provide Barnett – plus Funding for Wales' structural fund programmes. The funding allocations for Wales provided for spending to grow by an average annual rate of over four per cent in real terms over the SR 2004 period.

Objective 4

To secure, develop and manage effectively and efficiently the resources needed to deliver these objectives.

Treated 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 about the work of the Office.

We are committed to providing high quality and efficient services. Following a suggestion of the Welsh Affairs Committee hearing on 25 October 2006, we agreed to incorporate statistical information on Parliamentary Questions into our target table.

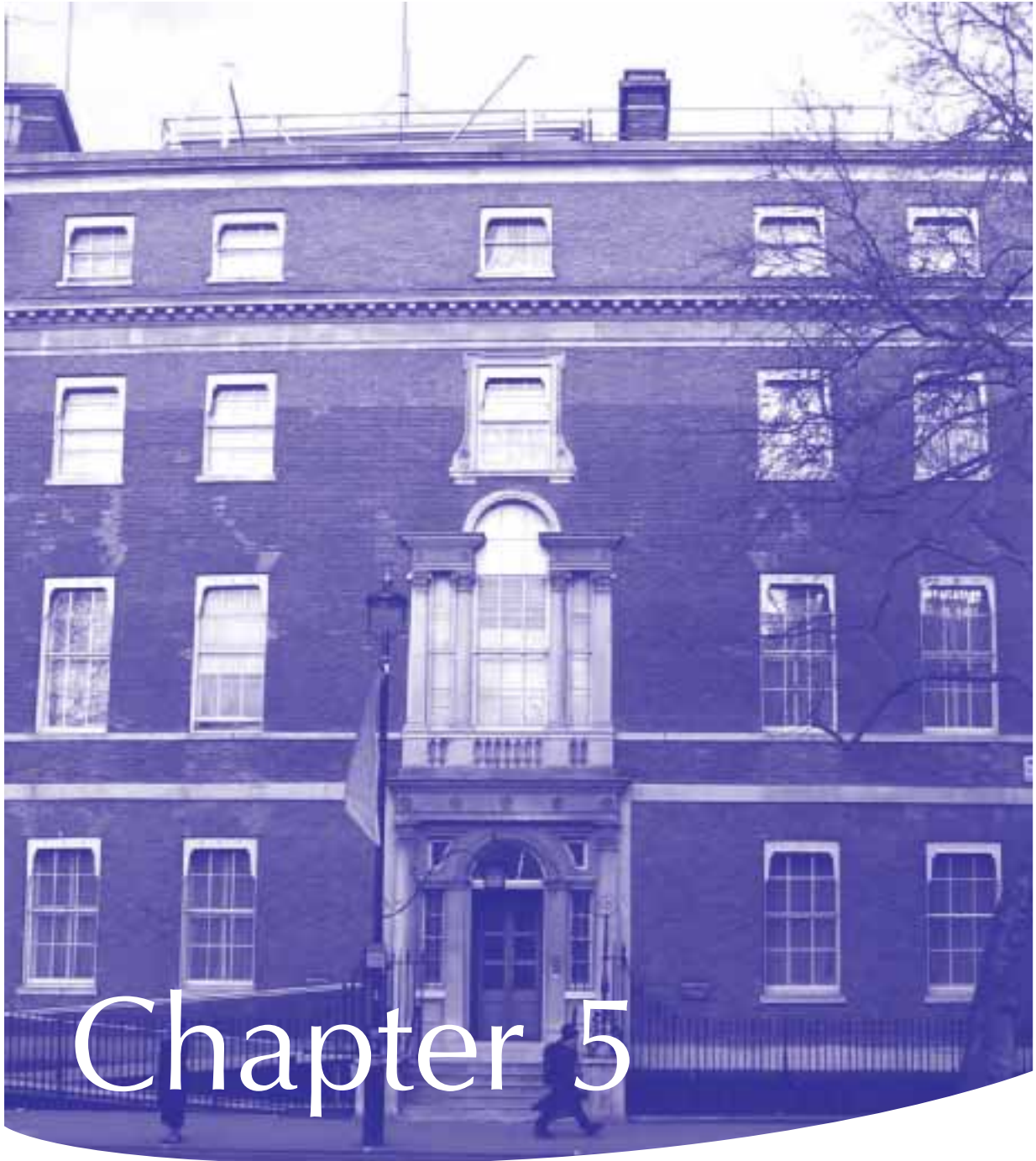
We have five targets aimed at ensuring efficiency and quality in our dealings with the public. These are set out in the following table overleaf.



Performance Targets and Indicators

Target	Indicator	Performance April 2006-March 2007
We will respond to correspondence within 15 working days of receipt.	Percentage of correspondence replied to within 15 working days.	93%
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.	Percentage of invoices paid within target time.	93%
We will deal with all requests for information in accordance with the Freedom of Information 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.	Percentage of FOI cases replied to within 20 working days.	88%
We have established a formal complaints procedure and we will investigate and respond to any complaint within 10 days.	Percentage of complaints dealt with within 10 days.	The Wales Office complaints procedure can be accessed on the departmental website at: www.walesoffice.gov.uk The Wales Office has not received any formal complaints during this period.
To respond to all Written Parliamentary Questions within 5 days of their being tabled in the House of Commons; and all Named Day Questions to be answered on the date specified.	Percentage of questions handled within 5-day ruling. Percentage of named day questions answered on date specified.	89% 100%

Footnote: Target on Parliamentary Questions inserted in place of removed target on information requests.



Chapter 5

Modernising Government



Chapter 5: Modernising Government

The Wales Office works primarily within Government and between the UK Government and the National Assembly for Wales and Welsh Assembly Government. It does not have a public-facing function, although it carries Parliamentary and public accountability.

Following Machinery of Government changes the Department for Constitutional Affairs (DCA) became the Ministry of Justice on 9 May 2007. All Service Level Agreements and other agreements with DCA are carried forward with the Ministry of Justice.

5.1 Service Level Agreements

The Wales Office has Service Level Agreements with DCA encompassing finance functions (including cash management), IT support, and facilities management for all accommodation and new works. A Service Level Agreement for HR support will be in place by 31 July 2007.

A Service Level Agreement covering finance functions and HR services are in place with the Welsh Assembly Government.

5.2 Wales Office Challenges

In April 2006, the Director brought together all staff for a day and half to look at how the office should work in the future and how the then Government of Wales Bill would impact on that. This led to the formation of a number of task groups on how to improve Wales Office processes.

As a result a number of improvements have been made with better use of ICT facilities and processes for handling correspondence. An HR Strategy has been developed aimed at promoting a more flexible and innovative organisation. Further work has started on improving both our external internet and creating an intranet area for staff.

The Office's major challenges were seen as:

- Securing the passage of the Government of Wales Bill
- Ensuring its effective implementation by May 2007

and in meeting both of these challenges the Wales Office has received valuable support from staff at the Welsh Assembly Government.

We will be working with Whitehall and with the National Assembly and the Welsh Assembly Government on the promotion of Orders in Council to confer legislative competence in specified matters on the Assembly. We have liaised with UK Government Departments and the Welsh Assembly Government as policy was being developed, or put into effect.

We have continued carrying out the formal duties of transmitting grant from HM Treasury to Wales, and are seeking to improve the way this is done. Wales Office Ministers have also been fully engaged in the Comprehensive Spending Review 2007 to continue to ensure fair financial arrangements for Wales.

We have championed the interests of Wales, responding to opportunities and playing a constructive role in issues of the day.

The Office's key activities were to help Wales Office Ministers to deliver new constitutional arrangements for better governance of Wales, fostering partnership working between the devolved administration in Wales and the UK Government, and to intervene in matters within and beyond Government, speaking for and promoting the interests of Wales.

These activities called for changes in how the Office was organised and staffed, and how individuals worked. In particular, the Office decided upon a more flexible approach to assigning work, with people of special knowledge and expertise drawn together for specific projects, rather than being assigned to try to cover specific Departments in the UK and Welsh Assembly Governments.

These improvements encouraged:

- greater efforts to build contacts in key Government areas;
- a more broadly based 'scanning' role, to register emerging topics;
- better briefing skills;
- better communications;
- effective performance management;
- a clearer Office identity, embracing its separate sites in London and Cardiff and its mix of staff drawn from the Department for Constitutional Affairs and loaned from the Assembly;
- appreciation of diversity, personal achievement, development, communication, and professional behaviour; and
- corporate services better integrated into the Office's work as a whole.

An important aspect of improvement was to develop an HR Strategy. This was delivered in December. It recognises that the Office must:

- support the full range of work from both sites;
- continue to attract staff with knowledge of Wales, usually by loan from the National Assembly or Welsh Assembly Government;
- provide interest, challenge and development, as well as the opportunity to work closely with Ministers, across a wide range of possible topics; and
- recognise that people will normally spend limited terms here, deploying and developing skills before moving on, needing to demonstrate their personal development and achievements in doing so.

The Office's key support systems have been modernised. The Correspondence Unit lies at the core of the Wales Office managing our external contacts – by letter, e-mail or phone. It has been reformed to make better use of technology to enable more electronic business. It has been possible simultaneously to reduce the effort expended on these activities, while maintaining or improving services and facilities.



5.3 Efficient use of Resources

We have redeployed resources to enhance areas such as Corporate Governance and Policy Support improving productivity within the same level of staff resources. Working with the Carbon Trust we are reducing energy and water consumption. We have offset our carbon emissions using a DEFRA recommended company. We are also optimising the use of the new train ticket pricing system and making better use of purchasing options to minimise the volume of invoices generated. These improvements are beginning to show benefits in our running costs.

5.4 Modernising Government & Civil Service Reform

The Government of Wales Act 2006 has placed Wales at the forefront of modernising Government. Further devolution of extensive powers and responsibilities to the National Assembly for Wales is another step in the Government's radical programme of constitutional reform. The Wales Office has played a key role in developing the Welsh devolution settlement.

5.5 Information Age Government

The Wales Office trains all staff in the use of the DCA's electronic records management system. This has enabled us to comply more effectively with statutory obligations, including those under the Freedom of Information Act 2000.

All staff have access to the Internet and the department has its own bilingual website, which has a link for members of the public to contact us by e-mail (wales.office@walesoffice.gsi.gov.uk).

The Wales Office is developing its website to provide more readily accessible information about the Government's primary legislative programme as it relates to Wales. It will also provide information about the Assembly's legislative competence.

5.6 Public Appointments

The Secretary of State for Wales does not have sole responsibility for making any public appointments. Where he appoints jointly with others, the Department follows procedures which ensure that only the most suitably qualified candidates are selected. Public appointments are made in accordance with the guidelines set out in the Commissioner for Public Appointments' Guidance on Appointments to Public Bodies, published in December 2003.

5.7 Welsh Language

The Wales Office is committed to treating the Welsh and English languages on a basis of equality. In line with the Welsh Language Scheme implemented on 28 May 2004, publications and press notices are available in both languages. The Wales Office will reply in Welsh to anyone who writes or e-mails in Welsh, and telephone calls are transferred to a Welsh speaker whenever possible.

Following discussions, we have agreed with the Welsh Language Board that we will review our Welsh Language Scheme during 2007-08 in line with the Board's new reporting system.

5.8 Recruitment of Wales Office Staff

The Wales Office recruits staff in accordance with the Civil Service Order in Council 1995. 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;
- equal opportunities policies apply throughout the recruitment process.

5.9 Staff Numbers

Staff numbers					
Staff years – full time equivalent		2005-06 actual	2006-07 actual	2007-08 plans	2008-09 plans
Permanent staff	Policy	38	44	46	46
	Operational	13	11	14	14
Casual staff		2	1	1	1
Overtime		1	1	1	1
TOTAL		54	57	62	62

5.10 Wales Office Equal Opportunities Policies

We subscribe to DCA policy.

Diversity

Approximately 14 per cent of the Department'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 2007

Grade	Staff in post	Of which women
SCS	1	0
Grade 6	6	1
Grade 7	4	2
SEO	8	6
HEO	11	7
EO	17	7
AO	8	5
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. We are subject to regular DDA Audits and we expect to have both buildings audited in 2007–08.

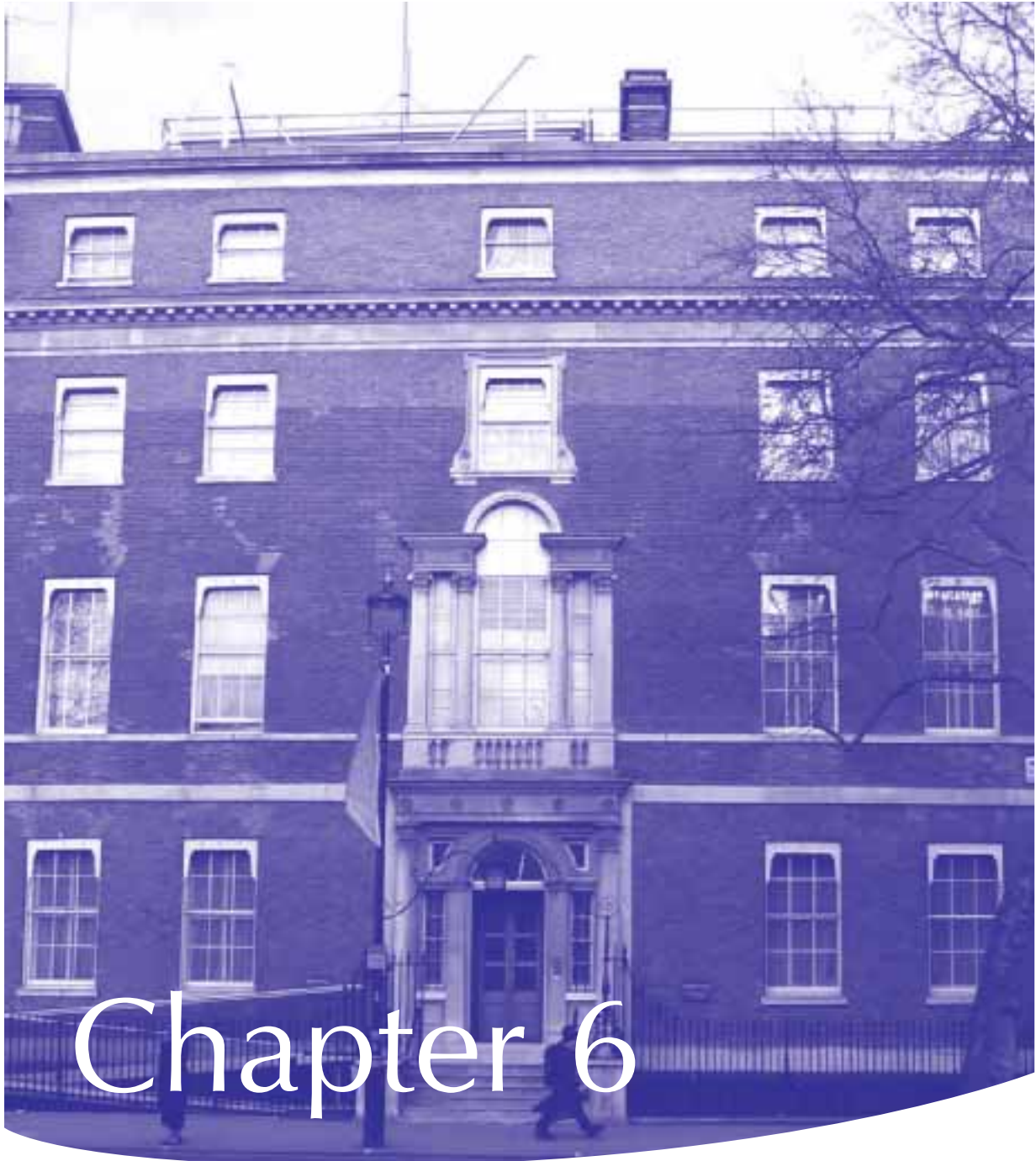
5.11 Wales Office Corporate Governance

Management Board

During the course of 2006-07 the Board has been redefined in membership and its Terms of Reference. In response to a suggestion at the Office staff event, we have set up a Shadow Management Board. That allows staff of all grades across the Office to give input to the Management Board on issues it is considering, and to suggest issues that the Board should consider. The Board membership and Terms of Reference are posted on our website.

Audit Committee

In parallel with the work on the Management Board, the Audit Committee has been strengthened through the addition of a second non-executive director. Its Terms of Reference have been aligned with the emerging new HM Treasury guidance on corporate governance in the public sector. The meetings of the Committee have been increased to four per year and are planned on the basis of the annual, quarterly and other key dates for actions on the accounts, statements of internal control, estimates etc. The Committee also regularly reviews the risk management process adopted by the Office. The non-executive Chair carried out a review of the functioning of the committee in January 2007 with support from internal and external auditors. The review concluded that, in line with best practice, the Committee should identify a third non-executive member. Taking into account all the changes instigated in 2006-07 the review concluded that the Committee was now operating in line with best practice set out in HM Treasury Guidance.



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 July 2004 by HM Treasury and also covers the funding arrangements for Scotland and Northern Ireland. 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 HM 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.

United Kingdom Government funding for the National Assembly for Wales' budget is determined within spending reviews alongside UK Government Departments. Changes in the budgetary provision for the devolved administrations are generally linked to changes in planned spending on comparable public services by UK Departments. The linkage is achieved by means of a population-based formula (the 'Barnett' formula). The UK Parliament votes the necessary provision to the Secretary of State, who, in turn, makes payments to the National Assembly for Wales as set out in the Government of Wales Act 1998 (and for 2007-08 to the Welsh Consolidated Fund under the 2006 Act). The Secretary of State retains provision for the cost of the Wales Office from the total monies voted by the UK Parliament.

The 2004 Spending Review provided substantial additional resources for Wales. The total Departmental Expenditure Limit (DEL) for Wales was £10.985 billion in 2004-05 rising to £11.826 billion in 2005-06; and £12.768 billion in 2006-07. These figures represent an average increase of 4 per cent a year in real terms over the three years. With the addition of significant increases announced by the Chancellor in both his pre-Budget report and this year's Budget, adding Annually Managed Expenditure (the level of which is reviewed each year) the total funding routed through the Wales Office to the National Assembly for Wales is to be close to £14 billion in 2007-08, nearly £3 billion higher than in 2004-05. The Comprehensive Spending Review 2007 (CSR07) is well under way with Wales Office Ministers fully engaging with HM Treasury to continue to ensure fair financial arrangements for Wales. As the CSR07 is not expected to be completed until the Autumn, the Wales Office will work closely with the Welsh Assembly Government and HM Treasury to ensure the Barnett consequential of any further CSR settlements with UK Departments are delivered for Wales.

6.2 Total Identifiable Public Expenditure in Wales

In 2006-07 public spending which can be identified as having been incurred for the benefit of Wales totalled £24.233 billion, equivalent to £8,139 per head or some 11 per cent above the UK average. For further information see Public Expenditure Statistical Analysis 2007.

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 implementing reforms and improving 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.

The Assembly's budget can be seen on its website at www.wales.gov.uk

6.5 Budget 2007

Since the 2004 Spending Review, additional resources have been made available in the Pre-Budget Reports and Budgets. The Chancellor of the Exchequer delivered his Budget on 21 March 2007, announcing an additional £1 billion 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. Copies of the full Budget details are available on the HM 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:

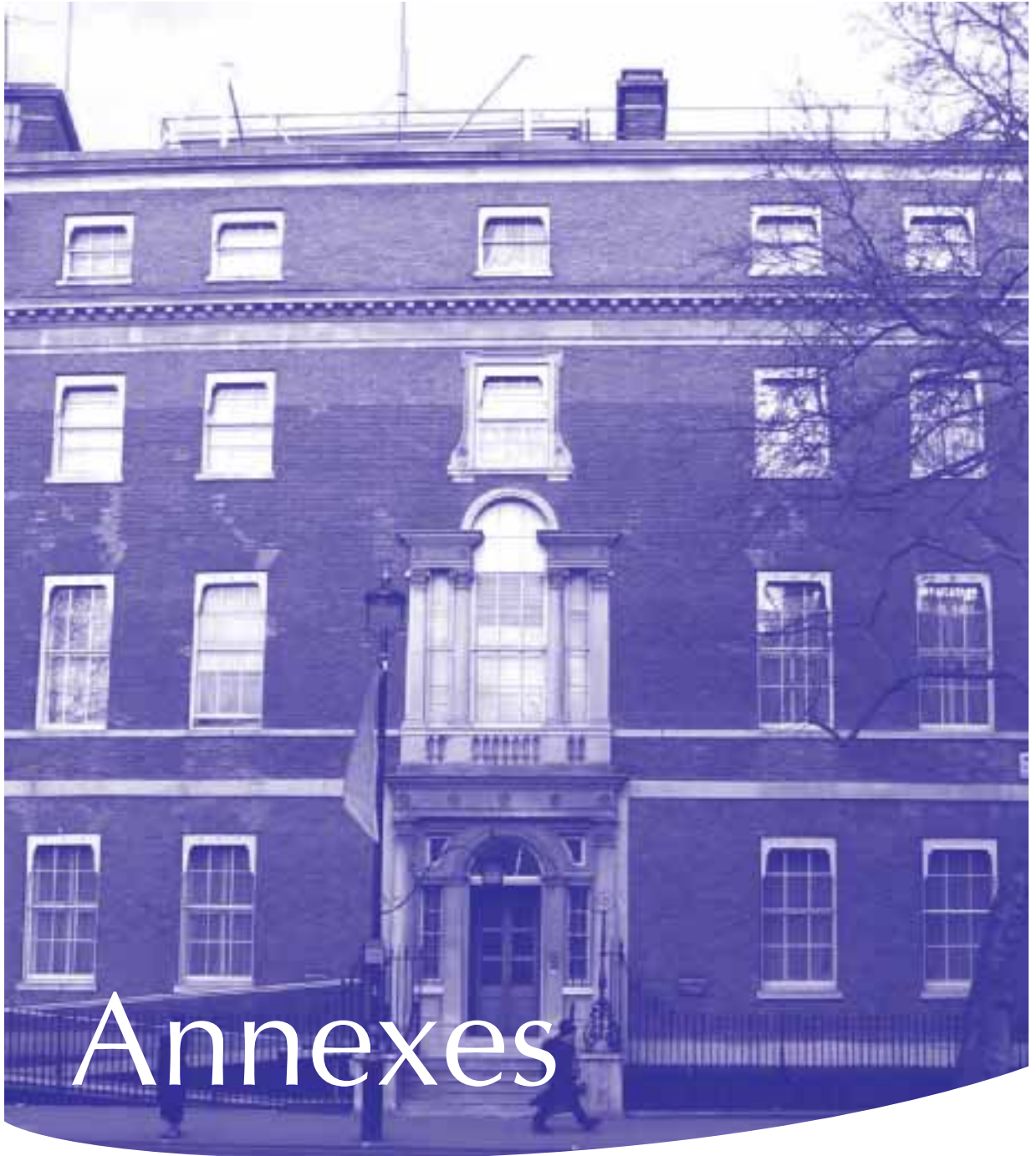
- its own running costs
- the expenses of the Lord Lieutenants; and
- the North Wales Child Abuse Tribunal.

6.7 Changes to Wales Departmental Expenditure limit for 2004-05 to 2007-08 since PESA 2004

The table at Annex 3 shows the current Wales Departmental Expenditure Limit (DEL) with the baseline from the 2004 Spending Review.



WALES OFFICE



Annexes



1. Acts with specific provisions or implications for Wales in Session 2005-06
2. Bills and Acts with specific provisions or implications for Wales in Session 2006-07
3. Changes to Wales Departmental Expenditure Limit for 2004-05 to 2007-08 since PESA 2005
4. Departmental Expenditure Limit – Wales
5. Grant Payable to the National Assembly for Wales 2003-04: Provision and Outturn
6. Grant Payable to the National Assembly for Wales 2004-05: Original & Final Provision
7. Reconciliation of grant payable to the National Assembly for Wales with Total Managed Expenditure for Wales 2005-06
8. Senior Civil Service Salaries
9. Explanatory Note



Annex 1: Acts with specific provisions or implications for Wales in Session 2005-06

Wales-only Acts	Outcome	Notes
Government of Wales Act	Received Royal Assent 25 July 2006	Provides for enhancement of National Assembly legislative powers; ends the confusing corporate status of the Assembly; and makes a change to the electoral system for the Assembly.
Commissioner for Older People (Wales) Act	Received Royal Assent 25 July 2006	Establishes a Commissioner with duty to promote and safeguard the interests of older people in Wales.
Transport (Wales) Act	Received Royal Assent 16 February 2006	Imposes a duty on the National Assembly for Wales to prepare a transport strategy and enables the development of more integrated public transport services.
National Health Service (Wales) Act	Received Royal Assent 8 November 2006	Consolidates National Health Service legislation for Wales.

Act	Outcome	Notes
Animal Welfare Act	Received Royal Assent 8 November 2006	Provides better protection for animals in care of humans by introducing concept of duty of care. In Wales, the National Assembly will exercise all regulation and order making powers.
Charities Act	Received Royal Assent 8 November 2006	Provides a clear definition of charity with the emphasis on public benefit. Improves the regulation of charity fundraising. A Commissioner to represent Welsh interests will be appointed after consultation with the Welsh Assembly Government.
Childcare Act	Received Royal Assent 11 July 2006	Places duties on local authorities in Wales to secure childcare provision, and gives Assembly powers to secure proper performance.
Children and Adoption Act	Received Royal Assent 21 June 2006	Creates new Court powers to enforce contact orders. Extends the role of CAFCASS Cymru in contact orders in family proceedings.
Climate Change & Sustainable Energy Act	Received Royal Assent 21 June 2006	Enhances UK's ability to tackle climate change; aimed at alleviating fuel poverty, promoting micro-generation and heat from renewable sources. Provisions cover role of local authorities, energy efficiency, Building Regulations, Renewables Obligation and transmission charges for electricity. Allows the Assembly to decide the scope of community councils' powers to promote local energy saving measures.

Civil Aviation Act	Received Royal Assent 8 November 2006	Authorises local authority airport companies to undertake joint activities to help them compete with privately owned airfields. Provisions relating to powers of local authority airport companies will apply to Wales.
Commons Act	Received Royal Assent 19 July 2006	Creates new registration and decision-making powers to ensure that common land is better protected. The Assembly will be the appropriate national authority in Wales.
Company Law Reform Act	Received Royal Assent 8 November 2006	Makes it easier to set up a company. Companies registered in Wales will continue to have the option of using "cwmni cyfyngedig cyhoeddus" or "cyfyngedig" in place of "public limited company" or "limited".
Education and Inspections Act	Received Royal Assent 8 November 2006	Provides more intervention powers for failing schools. The Assembly will be the appropriate authority in Wales. It includes a framework power for the Assembly.
Electoral Administration Act	Received Royal Assent 11 July 2006	Introduces provisions aimed at increasing registration levels, encouraging more people to vote, and improving the security of the election process. The conduct of National Assembly for Wales elections is separately regulated by the Secretary of State for Wales under section 11 of the Government of Wales Act 1998. The National Assembly for Wales (Representation of the People) Order 2007 applies relevant changes to Assembly elections.
Equality Act	Received Royal Assent 16 February 2006	Provides for the establishment of a new Commission for Equality and Human Rights. The National Assembly will be consulted about the appointment of a Commissioner to represent Welsh interests.
Health Act	Received Royal Assent 19 July 2006	Aims to make enclosed public places and workplaces smoke free and to sharpen focus on MRSA infections. It gives the Assembly powers to implement its own policy on banning smoking in public places.
Housing Corporation (Delegation) etc Act	Received Royal Assent 19 July 2006	Amends the Housing Associations Act 1985. It retrospectively validates certain actions of the Housing Corporation and the former Housing for Wales, where doubts may otherwise have arisen about the effect of those actions. The actions include some delegation arrangements and some actions involving the use of their seals.
Identity Card Act	Received Royal Assent 20 March 2006	Allows the Assembly to decide whether presentation of the card should be a requirement when using devolved public services.
Legislative and Regulatory Reform Act	Received Royal Assent 8 November 2006	Widens scope to remove burdensome legislation by providing greater powers for use of Regulatory Reform Orders. Provides for Assembly consent where required.

London Olympic Games and Paralympic Games Act	Received Royal Assent 30 March 2006	Creates a public body to co-ordinate and manage public sector involvement and meet International Olympic Committee requirements relating to the environment, advertising and marketing. Confers some regulation and order-making functions on the National Assembly in relation to advertising and trading restrictions as they are to be applied to Olympic venues in Wales.
National Lottery Act	Received Royal Assent 11 July 2006	Establishes Big Lottery Fund. The Welsh Assembly Government will be able to give directions and set specific priorities in respect of Big Lottery Fund expenditure in Wales.
Natural Environment and Rural Communities Act	Received Royal Assent 30 March 2006	Brings together English Nature with parts of Countryside Agency and the Rural Development Service to create Natural England, an integrated agency for the protection of the natural environment in England. This body is analogous to the Countryside Council for Wales. Implications for Wales include new powers for reforming the agricultural levy bodies, the reconstitution of the Joint Nature Conservation Committee and the abolition of a number of defunct statutory committees, including the Hill Farming Advisory Committee.
NHS Redress Act	Received Royal Assent 8 November 2006	Provides for a redress and compensation scheme when health care goes wrong. It includes a framework power for the Assembly.
Police and Justice Act	Received Royal Assent 8 November 2006	Makes provision about police forces and crime and disorder. The Assembly has power to issue guidance to Welsh local authorities regarding crime and disorders matters.
Road Safety Act	Received Royal Assent 8 November 2006	Includes provisions to improve road safety and help deliver casualty reduction targets. The Welsh Assembly Government will be empowered to make arrangements for motorway rest and picnic areas.
Violent Crime Reduction Act	Received Royal Assent 8 November 2006	Will improve control over the carrying of weapons and imitation weapons, and modernise provisions relating to other crimes of violence. The National Assembly will decide whether powers for head teachers to search children should be implemented in Wales.

Annex 2: Bills and Acts with specific provisions or implications for Wales in Session 2006-07

Government Bills and Acts	Progress	Notes
Concessionary Bus Travel Bill	Lords First Reading 6 February 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 other's passes, and those of Scotland and Northern Ireland, at such a time as all parties have agreed the practical arrangements of mutual recognition across the UK.
Consumers, Estate Agents and Redress Bill	Commons Second Reading 19 March 2007	Makes provision for the establishment of the National Consumer Council and its functions; makes provision for the abolition of other consumer bodies; makes provision about the handling of consumer complaints by certain suppliers and provision requiring certain suppliers to be members of redress schemes in respect of consumer complaints; amends the Estate Agents Act 1979; makes provision about the cancellation of certain contracts concluded away from business premises.
Corporate Manslaughter and Corporate Homicide Bill	Lords Third Reading 28 February 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.
Digital Switchover (Disclosure of Information) Bill	Lords Second reading 28 February 2007	Makes provision about the disclosure of certain information for purposes connected with digital switchover.
Fraud (Trials without a Jury) Bill	Lords Second Reading 20 March 2007	Makes amendments in relation to section 43 of the Criminal Justice Act 2003, which would provide for serious and complex fraud trials to take place without a jury.
Further Education and Training Bill	Commons First Reading 7 March 2007	Makes provision about the Learning and Skills Council for England; makes provision about institutions within the further education sector; makes provision with respect to industrial training levies; makes provision about the formation of, and investment in, companies and charitable incorporated organisations by higher education corporations; enables the making of Assembly Measures in relation to the field of education and training.
Investment Exchanges and Clearing House Act	Royal Assent 19 December 2006	Confers power on the Financial Services Authority to disallow excessive regulatory provision by recognised investment exchanges and clearing houses.
Legal Services Bill	Lords Committee stage 6 March 2007	Introduces regulation of legal services by establishing the Legal Services Board as an independent regulator and a new Office for Legal Complaints.

Local Government and Public Involvement in Health Bill	Completed Commons Public Bill Committee Stage 8 March 2007	Gives 'Framework Powers' to the National Assembly to make provision on a range of local government matters. Confers powers on Welsh Ministers in respect of Best Value and Byelaws.
Mental Health Bill	Commons First Reading 7 March 2007	Amends the Mental Health Act 1983 and the Mental Capacity Act 2005 in relation to mentally disordered persons.
Offender Management Bill	Commons Third Reading 28 February 2007	Makes provision about probation services, prisons and other matters relating to the management of offenders.
Pensions Bill	Commons Committee stage 23 January 2007	Makes provision about pensions and other benefits payable to persons in connection with bereavement or by reference to pensionable age; makes provision about the establishment and functions of the Personal Accounts Delivery Authority.
Serious Crime Bill	Lords Committee stage 14 March 2007	Makes provision about serious crime prevention orders; creates offences in respect of the encouragement or assistance of crime; enables information to be shared or processed to prevent fraud and enables data matching to be conducted.
Statistics and Registration Service Bill	Lords First reading 14 March 2007	Makes provision about the Statistics Board; makes provision about offices and office-holders under the Registration Service Act 1953.
Tribunals, Courts and Enforcement Bill	Commons Second Reading 5 March 2007	Simplifies the tribunal system, establishes an Administrative Justice and Tribunals Council.
UK Borders Bill	Commons Committee stage 27 February 2007	Makes provision about immigration and asylum.
Welfare Reform Bill	Lords Report stage 19 March 2007	Makes provision about social security and amends the Vaccine Damage Payments Act 1979.

Annex 3: Changes to Wales Departmental Expenditure Limit for 2004-05 to 2007-08 since PESA 2006

TABLE 1⁽¹⁾

	2004-05 £m Outturn	2005-06 £m Estimated Outturn	2006-07 £m Plans	2007-08 £m Plans
Position at publication of PESA 2006 (Table 1.12) net of depreciation & impairments	11,180	12,076	12,832	13,649
Depreciation & impairments	197	313	257	259
Revisions to outturn	-73	-299	-103	0
Police Safety Cameras	0	0	0	9
Take up of End Year Flexibility	0	0	99	0
PBR 2006 measures	0	0	0	9
Council Tax Benefit	0	0	16	0
Fire Pensions	0	0	0	-12
Transfer of EMAs to DEL	9	22	30	33
Inter-Departmental Transfers	74	82	102	126
<i>Subtotal</i>	<i>10</i>	<i>-195</i>	<i>144</i>	<i>165</i>
Capital DEL plus Resource DEL	11,387	12,194	13,233	14,073
Less depreciation & impairments	-148	-195	-237	-283
Position at publication of PESA 2007 (Table 1.12) net of depreciation & impairments	11,239	11,999	12,996	13,790

(1) Totals may not sum due to roundings.

Annex 4: Departmental Expenditure Limit – Wales⁽²⁾

TABLE 2⁽¹⁾

	2001-2002 outturn £'000	2002-2003 outturn £'000	2003-2004 outturn £'000	2004-2005 outturn £'000	2005-2006 outturn £'000	2006-2007 provision £'000	2007-2008 provision £'000
Resource							
Wales Office							
Administration Costs	2,463	3,037	2,949	3,705	3,969	4,769	3,760
Wales Office – other ⁽³⁾	75	95	93	98	253	373	153
Total Resource	2,538	3,132	3,042	3,803	4,222	5,142	3,913
Capital							
Wales Office	18	34	51	194	127	766	766
Wales Office DEL⁽²⁾⁽⁴⁾⁽⁵⁾	2,536	3,129	3,058	3,962	4,220	5,873	4,644
NAW Resource (Near cash)	7,588,362	8,516,545	9,415,161	10,084,968	10,661,477	11,368,970	11,956,849
NAW Resource (Non cash)	296,443	369,969	226,944	293,979	324,447	487,113	499,481
NAW Capital	919,616	1,004,307	984,866	1,008,132	1,208,350	1,374,207	1,616,737
NAW DEL ⁽⁵⁾	8,612,913	9,653,298	10,531,512	11,239,036	11,998,913	12,996,495	13,789,740
Total Welsh Block⁽⁴⁾⁽⁵⁾	8,615,449	9,656,427	10,534,570	11,242,998	12,003,133	13,002,368	13,794,384

(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 2005-06: Original & Final Provision

TABLE 3⁽¹⁾			
	Original Provision £m	Final Provision £m	Final Outturn £m
Expenditure Classified as DEL ⁽²⁾	12,242	12,488	12,196
Expenditure Classified as AME	500	554	529
Total Managed Expenditure	12,743	13042	12,725
Less:			
Non Voted expenditure			
LA Credit Approvals	163	163	163
Other Non-Voted	6	6	6
Resource Budgeting adjustments			
Timing	40	40	109
Depreciation	175	272	188
Cost of Capital	422	422	433
Other	42	42	6
Total Resource budgeting adjustments	679	776	736
TOTAL NON VOTED TME	849	945	905
TOTAL VOTED TME	11,894	12,096	11,820
Voted receipts			
Receipts from the EU	-234	-234	-200
Contributions from the National Insurance Fund	-822	-743	-742
Receipts from the Rural Payments Agency	-220	-274	-216
Total	-1,276	-1,251	-1,158
TOTAL ASSEMBLY GRANT	10,618	10,845	10,662
(1) Totals may not sum due to roundings.			
(2) Resource and capital DEL inc. depreciation.			

Annex 6: Reconciliation of the grant payable to National Assembly for Wales with TME for Wales 2006-07

TABLE 4⁽¹⁾			
	Original Provision £'000	Final Provision £'000	Estimated Outturn £'000
Expenditure Classified as DEL ⁽²⁾	13,088,818	13,305,921	13,232,114
Expenditure Classified as AME	320,146	1,433,073	472,128
Total Managed Expenditure	13,408,964	14,738,994	13,704,242
Less:			
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	447,246
Student Support (non-cash)	0	42,867	38,810
TOTAL NON VOTED TME	591,940	659,587	655,530
TOTAL VOTED TME	12,817,024	14,079,407	13,048,712
Voted receipts			
Contributions from the National Insurance Fund	-807,841	-807,091	-807,091
Total	-807,841	-807,091	-807,091
Plus:			
Student Support Cash Cover	171,231	0	0
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	12,286,625
(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 2007-08

TABLE 5⁽¹⁾	
	2007-08 Original Provision £'000
Expenditure Classified as DEL	14,073,067
Expenditure Classified as AME	539,728
Total Managed Expenditure	14,612,795
Less:	
<i>Non Voted expenditure:</i>	
LA Credit Approvals	163,396
Other Non-Voted	6,078
Resource Non Cash	499,481
AME Non-cash	375,948
TOTAL NON VOTED TME	1,044,903
TOTAL VOTED TME	13,567,892
Voted receipts	
Contributions from the National Insurance Fund	-890,566
Non Domestic Rates Receipts	-817,500
Total	-1,708,066
TOTAL GRANT TO WELSH CONSOLIDATED FUND	11,859,826



Annex 8: Senior Civil Services Salaries

Senior Civil Service Salaries in the Wales Office as at 31st March 2007:

The Wales Office has one member of the Senior Civil Service (SCS) graded at payband 2 in the salary range of £80,000 – £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 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 Department for Constitutional Affairs 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.