

Ministers Reflect

Andrew Davies



13 September 2018

Biographical details

Welsh parliamentary history

1999–2011: Labour Party Assembly Member for Swansea West

Welsh government career

2007–09: Minister for Finance and Public Service Delivery

2007: Minister for Social Justice and Public Service Delivery

2003–07: Minister for Transport

2002–07: Minister for Economic Development

1999–2002: Business Manager for the Welsh Assembly

Andrew Davies was interviewed by Akash Paun and Tess Kidney Bishop on 13 September 2018 for the Institute for Government’s Ministers Reflect project.

Andrew Davies reflects on the instability of the early days of devolution, building relationships with other parties in the Assembly and developing an economic development strategy for Wales.

Akash Paun (AP): You became a minister after the very first election to the Assembly. What is your recollection of the day when you walked into government for the first time?

Andrew Davies (AD): I knew before the election that if Labour were to form an administration, I’d be a minister. Alun Michael was Secretary of State for Wales during the election campaign, and he’d seen me in my constituency in Swansea West and said that if we were to win and form a government then he would want me to take up the role that I did have, to be what was then called Business Manager and Chief Whip. I’d known Alun since he was a parliamentary candidate for Cardiff South and Penarth, in the 1987 election. So we’d worked together over the years. So I knew before polling day that I would likely be a minister.

AP: And you discussed the specific role?

AD: Not in any great detail because it was pre-election. He just wanted to see if I would take the role on, and we talked about it at a high level, how we would work together. I’d been a Labour Party official for many years, so I knew the party quite well and many of the candidates. That was partly why, I think, he asked me to do it.

The first election in ‘99 didn’t go very well. You will be aware of the politics behind Alun’s appointment by Tony Blair. There was quite a hotly contested election for the leadership of the [Welsh] Labour Party between Alun and Rhodri [Morgan]; there was quite a lot of history behind that for them as MPs, and it was very divisive. So that had a big impact on the election results. Labour didn’t do as well as expected: we only had 28 seats out of 60, so it was a big challenge. Several candidates who were expected to win, in what would normally have been safe Labour seats, hadn’t been successful. So a lot of the early discussions with Alun were about who was going to be in the Cabinet. The election was on the Thursday; I was then asked to go into Cathays Park in Cardiff, the central government offices, to talk about how we’d start to put things together. It is pretty much all a blur.

What is interesting in comparison to Scotland is that there hadn’t been a constitutional convention or anything like it in Wales, so there had been very little preparation, both in terms of policy and politics. In Scotland it was a done deal, whereas of course in Wales there was the question of whether we were going to win the referendum. That [the referendum] was September 1997 and then there was the Government of Wales Act, all

the stuff with Ron Davies resigning [as Secretary of State for Wales and as Labour's candidate for First Secretary], so there was virtually no preparation. Whereas in Scotland, the idea of devolution was much more settled. So my recollections are quite hazy other than that. For about two years, we were just ducking and diving, trying to keep the show on the road.

AP: In that period as a minority government, what was your role as Leader of the House and Chief Whip in ensuring that the [Welsh] Government kept on course?

AD: You have to remember that the referendum result [on the creation of the Welsh Assembly] was very close. It was only a few thousand votes between Yes and No, so the whole legitimacy of the Assembly was in doubt. That, of course, was further coloured by the contest between Rhodri Morgan and Alun Michael. The overwhelming majority of the 28 [Assembly] Members that were the Labour group had supported Rhodri Morgan for the leadership and not Alun, so the politics were highly charged, to put it mildly. We weren't a majority administration, so actually keeping the whole thing afloat was a challenge. I had an NVQ Level 4 in ducking and diving.

We had to establish a good relationship with the opposition party Plaid Cymru, who had done quite well. During the referendum, I established links with Ieuan Wyn Jones [Plaid Cymru leader], who was my opposite number as Business Manager for Plaid Cymru. So I contacted him and got in touch with him. I will never forget going to see him at his flat. He was an MP at the time for Ynys Môn [Anglesey], and he had a basement flat between Barons Court and West Ken. I knew the area because I'd worked on a by-election in Fulham there. I went to go and knock on the door, and he was putting his head round the door as if I was the devil, because animosity between Labour and Plaid is longstanding. Anyway, we got on very well so our relationship was established. That is the job of a Chief Whip.

AP: Was that a more crucial relationship than with the Liberal Democrats, who subsequently formed a coalition with Labour?

AD: It was about trying to keep the thing going. Plaid were very worried that if the Assembly imploded, their longer-term aim, which was independence, would just be turned to ashes. So on the one hand, they were trying to be in opposition, but at the same time, they were worried about establishing a legitimate Assembly. I think people forget, now that it has settled, that it was a damn close-run thing. So, building a relationship with Ieuan and working on that was crucial. From my point of view, it was very clear that you couldn't establish the legitimacy of the Assembly and start delivering if you didn't have stability. As Theresa May is finding now, it's almost impossible to deliver good government if you've got an unstable political situation. She's got a majority with the DUP, but we didn't have that.

And then you had all the questions around Alun Michael's personal position. I really like Alun, he's a great guy, and I've got a huge regard for him. But of course, he was seen widely and by many people as illegitimate, and it was clear to us that he came under intense pressure. There was a big issue because Ron Davies, the Secretary of State, had negotiated European Structural Funds support for two thirds for Wales. The Conservative Government had always resisted requesting it. So it was seen as a big boost. But then it became a real millstone round our neck because of the issue around PES [Public Expenditure System] cover, as it was known. It was also described as match funding, but it wasn't actually match funding. It was a Treasury rule really, and the UK Government were unclear about whether they were providing PES cover [without which Wales would not have received the additional EU funding]. It became a real litmus test for Alun and the Government, and he came under huge pressure. There'd been motions of no confidence in ministers – one was in Christine Gwyther, the Agriculture Minister. He'd appointed her and then found out she was a vegetarian, which went down like a cup of cold sick with many people, and obviously the farmers. It felt, from a psychodynamic point of view, that it was like a ploy of the referendum and the leadership contest. As I say, I really like Alun, but it was obvious the institution wasn't going to settle down until...

It's extraordinary when you think about it really. The whole process was done in two years, from the referendum [in September 1997] and the Government of Wales Act '98 to the first election results. The Labour manifesto was paper-thin and the whole thing was just done on the hoof really. But it became clear to me eventually, and to a lot of other Labour [Assembly] Members, that we couldn't have stability while Alun was there. So when the opposition and the level of frustration came to it, they moved a motion of no confidence. It was a very difficult time, but I think for a lot of Labour Members, it was clear that Alun's position was unsustainable and Rhodri Morgan needed to take over – which is, in fact, what happened.

But, having said that, once Rhodri was in post, I carried on with the same job [as Business Manager for the Assembly]. Rhodri asked me to stay on. Kevin Brennan, Rhodri's successor as MP for Cardiff West who was a special adviser to Rhodri at the time, and I both went to see him and said: "Rhodri, we can't keep this going. We cannot do anything as a minority government because we can be outvoted at any time." So that's when we started discussions with the Liberal Democrats and then entered into coalition with them.

AP: In that period before the coalition formed, would it be accurate to say the government wasn't able to achieve very much?

AD: There was no policy programme. I mean, I think free bus travel [for pensioners] was the central piece of the Labour manifesto; there wasn't much else. The Labour Party in Wales had never really made policy to any great extent. That was always, in effect, delegated or always a function of the UK party. So, for all sorts of reasons, we hadn't

actually thought through what we wanted to do with the Assembly. Ron Davies, from a [UK] government perspective, was the one who had driven the whole agenda. Neil Kinnock was leader of the [Labour] Party from '83 to '92, and he'd been the main opponent of devolution in the 1979 referendum, so you couldn't discuss devolution when he was party leader. It was only when John Smith succeeded him that, because he was a passionate supporter of devolution, he asked Ron to take it on. So, to be fair, Ron had actually been developing policy, he had been in the front of all this development. So everybody assumed he was going to be the First Minister and, of course, it didn't happen. For all those reasons, it was a very unstable and problematic birth. And it was then that we said: "We have got this institution, what are we going to do with it? What powers do we have and how can we use them?"

AP: So all of that thinking really only began once you'd already started and taken power.

AD: Yeah.

AP: Recognising that the situation could not continue as it was, you began the negotiations with the Liberal Democrats. Is that something you were personally closely involved with?

AD: Yes, Kevin Brennan and I. Rhodri Morgan was always sceptical we could deliver. I remember him saying so, given traditional tribal loyalties in politics in Wales and elsewhere, and of course there's no tradition of coalitions in the UK really. He said that at the beginning and even at the end. He said: "I didn't think we'd ever do this, but we have."

AP: Labour and the Lib Dems were in coalition in Scotland by that point. Did that help?

AD: Yes, but even then I can't compare them really, but politics in Wales is very tribal. Kevin Brennan did a lot of the spadework. But I did a lot of the political work, particularly with Kirsty Williams, who is now a minister and became leader of the Lib Dems. I love contemporary dance, and there was a production in her hometown of Brecon, so I said: "Oh, can you give me a lift?", just so I could spend an hour talking to her and say: "Look, Kirsty, you believe in proportional representation. The logical conclusion of PR is you have to make coalitions, so doesn't it make sense if we start talking about it?" So it was through those sorts of informal discussions, and we then did a deal.

AP: And that led to a more substantial policy programme?

AD: Yeah. To be fair to the Lib Dems, they had thought through devolution more because federal government had always been one of their fundamental beliefs, unlike Labour. So I think they had given quite a lot of thought to it.

I think it says a lot about the media in Wales too; nobody picked up a sniff of it. We have a crap media in Wales, not least the BBC. So we announced the Coalition and everybody was absolutely gobsmacked. Of course it was a political problem, because we had to then break it to the Labour group. And of course, giving two seats in the Cabinet to the Lib Dems meant there were two less for Labour, so that caused me difficulties as Chief Whip. I was a lightning conductor for Rhodri. It was a really difficult period.

AP: Did you also have to break the news to Alun Michael?

AD: The deal with the Lib Dems was quite a while later, after Rhodri was First Minister.

But with Alun Michael, it was very, very difficult. Dafydd Elis-Thomas was the first Presiding Officer [of the Welsh Assembly], and at the time the Assembly was a corporate body, so it didn't have the legislative-executive division as we do now. Alun was being briefed by the Permanent Secretary [to the Welsh Government] and senior officials, but the same set of civil servants were serving Dafydd Elis-Thomas as Presiding Officer. So, constitutionally, it was a real mess. And it was an incredibly difficult period. As Chief Whip, I had to be the messenger, because I had to work with opposition parties as well as my own and, of course, with the Presiding Officer. But it was clear to me that there was a real constitutional crisis brewing, not just because of the role of civil servants, but because it was clear that we didn't have a majority. Even if all the Labour group voted together, which you couldn't always rely on, we would be outvoted in any motion of no confidence in Alun. It came to a head in February 2000 with a motion of no confidence, and it was clear to me that we couldn't hold the line. So I had to go and tell Alun that that was the case. I think Alun's tactic was that we would lose a motion of no confidence and re-nominate him as First Secretary, and we would keep just doing that. And I had to tell Alun that I couldn't guarantee that the Labour group would support us.

AP: If we jump forward to 2002, when you took on the economic development portfolio, what was that transition like to having a big portfolio in a department of your own?

AD: It was a shock. It came about because we were in coalition with the Liberal Democrats. Mike German, the leader of the Liberal Democrats, was the Economic Development Minister. It was the prize he wanted for going in to coalition. Economic development was seen as the most sexy, the big pull, because Rhodri Morgan had been the first Economic Development Minister under Alun. Mike had got into trouble in his previous job with the Welsh Joint Education Committee about expenses, and the pressure had become so much that I had to tell Rhodri that I couldn't keep the Labour group back any more. So Mike stood down and Rhodri took on the job again, as well as being First Minister, but it was obviously untenable. Again, I had to tell him that the Labour group was not happy with it. It was then decided that we needed somebody. I was with Rhodri and his adviser at the time, Mark Drakeford, who is now Finance Minister, and we said: "Who do you think we could put in?" I had no ambition, I had no

inking at all. Mark said: “Well, what about Andrew?” and Rhodri said: “Okay”. So that is how I was appointed, really.

It was a steep learning curve, even though I had worked in industry: I think I was the only Assembly Member who had worked in manufacturing, with the Ford Motor Company. It was clear to me, from a strategic point of view, that we had to get European funding under control because, as I said, it was the issue that led to Alun Michael’s motion of no confidence around the PES cover for Objective 1 [the programme through which European Structural Funds were then allocated to Wales]. And the organisation I was dealing with – the Wales European Funding Office (WEFO) – was not well-led, so I needed to sort that out. I had to get rid of the chief executive and bring a career civil servant in. The other thing that was a big issue was that Rhodri, in his wisdom, had developed an economic development strategy called *A Winning Wales*. And, injudiciously, there was a reference there to the effect that if the policy was successful, we would achieve 90% of UK average GVA [gross value added] per capita.

AP: That’s massive!

AD: Absolutely. So it wasn’t a target, but of course the opposition kept saying it was. And at the time the economy was buoyant. It was part of our amazing long period of growth under Clinton and then Blair, so it was clear to me that we were on a hook and we needed to get off it. The other thing is that there were several actual targets in *A Winning Wales* where either we didn’t have the data to measure it or we didn’t have any power over it anyway, depending on what the UK was doing. Plus, under New Labour particularly, there was so much emphasis on financial services and London was dragging down the rest of the country. We were growing but, of course, London and all of the South East was growing so much more steeply [so other parts of the UK were falling behind in comparative terms]. It was like running up a down escalator. I realised we had to change it. So one of the first things I did was develop a new economic development strategy, a very detailed analysis of the weakness of the Welsh economy, de-industrialisation and globalisation, not just an analysis of why we were where we were but what we could do about it. And that was developing a sector-based approach, putting a big emphasis on education, training, skills etc. The new strategy was called *Wales: A Vibrant Economy*. So those were two priorities for me. The other one was we abolished the quangos.

AP: I was going to ask specifically about that. The Wales Development Agency and the Tourist Board were brought into the Government. How well did that process work and how big a challenge was it to the administration?

AD: You can only really understand the politics of it if you understand what happened in Wales from 1979 to 1997. The big argument for devolution in the referendum was addressing the democratic deficit. By 1997, the Conservatives had no MPs in Wales. A very large majority of councils were Labour. Interestingly, the Conservatives under

David Hunt and then [John] Redwood [as Secretaries of State for Wales] reorganised local government and created 22 local authorities. They were very small, unitary authorities. Previously, you had eight counties and 30-odd districts, so the reorganisation struck me as a classic case of 'divide and rule'.

But anyway, the democratic deficit was a crucial issue because the quangos, particularly the WDA [Welsh Development Agency, which was abolished in 2006], had become incredibly unpopular and were seen as doing the Tories' work. There were lots of scandals associated with the use of expenses, land deals, etc. Rhodri Morgan had actually made his reputation as an MP on attacking the WDA and the then Chair, Gwyn Jones. So we'd had a formative discussion when we were in coalition with the Lib Dems around getting rid of the quango state. It was up in Llandudno, actually, on an away day we had in North Wales, that we made the in principle decision to abolish the quango state. However, subsequently I said to Rhodri: "Look, I agree with getting rid of them, but I am just worried that we might lose a commercial edge, with the WDA particularly." But the more I saw of them close up, I saw they were just a big bloated bureaucracy; they were pursuing strategies which were out of date. I used to go to America at least once a year on inward investment tours, and the head of the WDA's North American operations was based in Amsterdam, not even based in America. I remember saying to him: "What are you doing around the knowledge economy, life sciences, IT, that sort of thing?" And he said: "I'm just paid for creating jobs, and we've still got a lot of assets we can sweat in our manufacturing base." So that is just one example where they were completely off the pace. So I went to Rhodri and said: "Look, Rhodri, they've got to go; they're just not doing what we need them to do". So that's why we made the decision, as well as all the wider politics.

AP: In 2007, when you went into the Coalition with Plaid Cymru, you became the Minister for Finance and Public Service Delivery. What were your priorities for public service reform in Wales in that role?

AD: One thing you need to bear in mind is that, by 2007, it was just as the financial crash was starting to become apparent. [Alistair Darling](#) was Chancellor of the Exchequer, he had taken over from Gordon Brown, and it was clear that public spending was starting to level off, through the Barnett Formula and the block grant. For the first 10 years of devolution, the Welsh Government's block grant more than doubled: it went from £7bn to over £16bn in 10 years. When I stood down as Finance Minister in December 2009, it had more than doubled. However, in 2007, you could see that the rate of increase was levelling off, particularly in capital. Revenue was badly hit but capital was even more so, so it was clear we were going into a period of considerable restraint.

There is probably a PhD in it somewhere, but I suspect that in the first seven or eight years of devolution, most of the rhetoric was around policy formulation and increased funding for public services. Probably in all the areas where we had competence, policy

changed and there were new policy initiatives. And we diverged increasingly from the Blair Government in the UK.

AP: 'Clear Red Water'.

AD: Yes, although that was a phrase that Rhodri never actually used, but it was used of him, and he didn't distance himself from it.

So the background was an increasingly constrained public finance context. The imperative had been a new policy agenda but also spending money. I suspect if you do an analysis of the press releases from ministers, most of them talked about either more money or new policies, but there was never any emphasis on what you got for that money and what were the outcomes. So I tried to develop a framework where we started to look at outcomes. The major fault line since devolution in Welsh politics has not been between the Welsh Government and the UK Government, in my view, but between the Welsh Government and local government. That has been a continuing thorn. And, of course, the Welsh Government doesn't actually deliver services, it's either quangos or through local government. Quality outcomes had never been a priority. So I saw it as a real imperative that we improve what we did. There were several reports, not least the OECD PISA [Programme for International Student Assessment] reports, which showed that Welsh education results were not as good as they needed to be really compared to an international benchmark. We were in coalition for the first time with Plaid Cymru, so I saw it as making sure that firstly we were able to finance the 'One Wales' Government and the joint programme for government, but also trying to get a shift towards greater efficiency, productivity, and more emphasis on outcomes rather than inputs.

AP: Did this involve setting binding targets on local government, as Labour in England had done, or did you do it differently?

AD: I wished I could really. The problem I had was what I was entitled to do as Minister for Finance and Public Services. The actual policy levers, or management levers, were with the individual spending ministers – you had a local government minister, a health minister and an education minister. So it was trying to get them to focus on this, but there was still very much a culture of having to start spending money and not looking at outcomes. I think the fundamental problem, which I've thought a great deal about since and I've been writing about it, is that in England, for good or ill, you had a marketised approach. You had the internal market in the health service; you had a very competitive, marketised approach to education, so you had school league tables, SATS tests etc. 'Clear Red Water' was setting ourselves against that. But one of the reasons I had real misgivings, which have grown over the years, was that we didn't have an alternative way of holding people to account. We didn't put alternative methods of contestability into place, and I think that was a real weakness. When I stood down from the Assembly in 2011, Carwyn Jones, the then First Minister, asked me to write a

manifesto for Labour for the 2011 election campaign. And in that I had a whole section on public service reform where I tried to put into place what I hadn't been able to do before, the whole suite of public service reforms. I regret to say they haven't been implemented.

Tess Kidney Bishop (TKB): How did working in the Plaid Cymru Coalition work compared to when you were in the Liberal Democrat Coalition before?

AD: Fine, really.

This is one of my frustrations, because, as I said to Kirsty Williams previously, if you had a form of PR then as a logical consequence of that there would be some form of coalition. That wasn't the original intention, it was always intended to be a Labour hegemony, but it's a logical consequence. I always said that apart from the rhetoric, you couldn't really put a cigarette paper, on the whole, between Labour, Plaid and Liberal Democrats on the major policy issues, apart from the rhetoric. But, like Sigmund Freud said, it is the narcissism of small differences. And it was probably more perception. My view, and I have always been pragmatic from this point of view, is that you need a stable government in order to be effective. Alex Salmond clearly did an amazing job in Scotland [as the head of a minority government from 2007–11], but in my experience you have to have a stable government in order to produce good government. So I felt that as we had PR, more often than not you're either going to have a minority Labour government or a coalition. And you need a coalition. So it is just as well to bite the bullet.

If we had done that as a Labour Party, then I think we could have had a different outcome. We could have actually started thinking that through. In 2007, I don't think Rhodri Morgan actually thought anything other than a Labour government through. We had heard through the usual political gossip and rumour that the Tories, the Liberal Democrats and Plaid Cymru, in the run up to 2007, were planning for what they call a 'rainbow coalition'; that they were clearing the decks in their manifesto preparation so there were no sticking points. It was a very, very close run thing, but they didn't actually put that into operation.

So my experience of coalition government was always pretty positive really. Yeah, it takes a lot of work, but I always used to think the same when I was a Chief Whip – my job was to worry. When we were with the Lib Dems, it was through special advisers usually, if there was a resolution coming up or a motion: have we got agreement? Have we got the wording for an amendment? So you just have to put a lot of effort into making it work for you.

TKB: Did it help that you had continuity in the First Minister, Rhodri Morgan?

AD: Yeah, well except, as I said, he didn't plan for a coalition.

When you consider the historical enmity between Plaid Cymru and Labour, with both sides regarding each other as the devil incarnate, the actual government was remarkably smooth. And I saw my job as delivering as Finance Minister, making sure we had the money to deliver the priorities.

TKB: Over the years, how much were you personally involved in negotiations with the UK Government?

AD: Probably as Finance Minister I was involved most with the Chief Secretary to the Treasury. First Andy Burnham, then Yvette Cooper and then Liam Byrne. All I can say about Liam Byrne is I am not at all surprised he left that note [to his successor David Laws]. I believe he was an Accenture consultant. He looked and sounded like a consultant... Yvette Cooper was the most impressive by a country mile. But the fact is that in two and a half years as Finance Minister, I dealt with three Chief Secretaries to the Treasury, says everything about the revolving door in government, which I think is a huge issue. The civil service is another one, but that is for another time really. Certainly in Wales, the quality and capacity of the civil service is a huge issue.

TKB: How did you see the civil service adjusting to the new Government in the early years and then over the period you were there as political leadership changed?

AD: It is interesting. I got the distinct impression that after the period '79 to '97, civil servants were gagging for a change. They just saw this as a huge opportunity, certainly those in the senior civil service I talked to. Some of them had spent some time in Whitehall but they just saw this as a fantastic opportunity. I said publicly that no one will ever do what we did. There will be ministers after me but nobody will ever have done that: creating a new institution from the beginning. So I think there was a solidarity. Dafydd Elis-Thomas saw me at this event last night and gave me a big hug. I don't know how many UK politicians hug each other, but I think that was because we'd gone through the fire in the early days. And I get the feeling with civil servants that they felt it was a real opportunity.

I think it was very clear there was a difference in ability between Wales and Whitehall. There was an issue of capacity; you would have an individual civil servant in Wales doing a whole policy area and you'd go up for negotiations and discussions with colleagues in Whitehall and have a whole team of people, whereas the Welsh civil servant was on their own. The issue of capacity has got worse because of cuts. But I think there was a big difference intellectually. We were part of the Swansea Bay City Deal and a lot of people involved in that said the difference between the quality of debate of Welsh government civil servants and Whitehall was stark.

The civil service has changed, I think, quite a lot. A lot of those traditional civil servants saw their view, very clearly, as giving independent, expert advice to ministers. I think personnel have changed; the bulk of civil servants now don't have a civil service background. We have got a very good civil servant who is on secondment to us [at the Abertawe Bro Morgannwg University Health Board]. He was with the DoH [Department of Health] and wanted to come back to Wales, he worked for both Andrew Lansley and Jeremy Hunt in DoH [the Department of Health]. The impression I get from talking to civil servants in Wales now is they just tell ministers what they want to hear, which I think is really dangerous.

AP: What do you think has caused this change in the support that civil servants give ministers here in Wales? You mentioned cuts.

AD: I think it is that, but I think there has also been a change in culture. I remember my then Private Secretary, Glyn Stapleton, said he'd been on a civil service training course, this would have been around about 2006 or 2007 when it was starting to change. He was talking about accountability and reporting, and he talked to colleagues about working to ministers. And they said: "Oh no, we don't serve ministers, we serve the people of Wales." So I think there has been quite a subtle shift.

One of the best civil servants I ever worked with, was when I was Minister for Economic Development and he was our director of the development department, David Pritchard, again a career civil servant. I remember his retirement do, because it was on the eve of the WDA being abolished and being brought into government [in 2006]. He said to all the people in the room, and I thought it was interesting: "Don't forget, you work to ministers. Your job is to serve and advise ministers." You get used to people and their style and if David ever disagreed, which was not very often, but if he came in and said: "We've got a problem," or he knew you had a problem, or if he came in and said he disagreed with you, you'd then have a discussion around why that was the case.

AP: A feature of devolution all the way through has been regular reforms and transfers of additional powers. How much of a challenge do you think it has been for the Welsh Government and the civil service to absorb those new functions?

AD: Ron Davies, when he was Secretary of State, said "devolution was a process, not an event". That has been doubly true in practice, it really has. There is this constant call for more powers. In fact, I am writing a book with a colleague at Swansea University about this, and that is part of the thesis: that that process is almost like a nationalist policy agenda with a small 'n', which is that you've never got enough, you always want more money and more powers.

Having said that, as Transport Minister, I negotiated two pieces of major legislation which devolved powers to Wales. One was the Railways Act [2005]. Although a UK Act, it had clauses to allow us to take over the running of the Wales and Border Rail

franchise. The other was the Transport (Wales) Act the following year, which was my Act and was again a UK Act [but that applied only to Wales]. For the life of me, I couldn't see what the problem was in the process [of having to persuade Westminster to legislate for Wales]. But perhaps that was because we had a Labour government in Westminster, and it might have been problematic if you had a Conservative government as we do now. But anyway that gave me, as a minister, the powers to do things. Because up until then, local government had more powers in transport. So, for example, when we wanted to reintroduce rail passenger services on the line to Ebbw Vale, after the steelworks had closed, as part of the regeneration programme, we didn't have the powers to actually do the work ourselves. We had to delegate it to a local government consortium. So we negotiated.

I always take the view of 'powers for a purpose' but sometimes you just think it's about status. It is like the discussions around transferring responsibility for the criminal justice system. We just said: "Why on earth do you want to take that on?" It is just going to be huge. And then you have got to have people of quality to do the job. That was a problem from a practical point of view, when I was Transport Minister: we were taking on this power of managing the Wales and Borders Rail franchise and in the transport department, I don't know how many people were working there, but we had one policy person dealing with transport and we had nobody with experience of the rail industry. They were all road engineers, because what they did was build roads, nearly all professional civil engineers, but none of them with experience of rail, which is a completely different industry. So we basically had to get people in quickly to give us the expertise.

TKB: If you can distil your 10 years in government, what would be your advice for a Welsh minister on how to be effective?

AD: Be very clear what you want to do.

TKB: Do you mean that in a political or more practical sense?

AD: Both. Particularly when I was Economic Development Minister, once I got over the shock, I'd been in government for a while, I'd worked in industry and I studied History, so I was very aware of Wales' history. But I was also aware, looking at experience globally, of what we needed to do in order to turn the Welsh economy around. The problem we had is that, I was very clear, and I think our senior civil servants were clear, but I don't think we were able to deliver. Again, I think it comes back to the relationship with local government.

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