

Crossing the Rubicon

Coalition Politics Welsh Style

John Osmond



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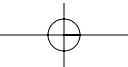
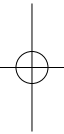
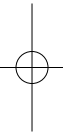
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*Ynof mae Cymru'un. Y modd nis gwn
Chwiliais drwy gyntedd maith fy mod, a chael
Deunydd cymodogaeth ...*

In me is Wales one. How, I do not know
All the fore-courts of my being I've searched, and found
The stuff of neighbourhood ...

Waldo Williams, *Cymru'n Un / Wales One*, the
line that inspired *One Wales*, the title of the
Red-Green Alliance between Labour and Plaid
Cymru.*

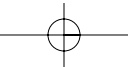
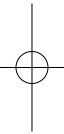
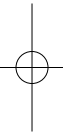
*We recognise that, on May 3rd, the people of Wales
sought a government of progressive consensus. In
reaching an agreement to work together, we
acknowledge this as a significant historic moment in
the governance of Wales.*

Rhodri Morgan, Leader, Labour Party Wales, and
Ieuan Wyn Jones, Leader, Plaid Cymru:
Foreword, *One Wales: A progressive agenda for
the government of Wales*, 27th June 2007.

* Tony Conran's translation of Waldo Williams' 'Selected Poems', *The Peacemakers*, Gomer, 1997. Waldo's mother came from Denbighshire and his father from Pembrokeshire so he regarded himself as a product of both north and south Wales.

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CHAPTER 1

Prelude: Labour Escapes Meltdown

Labour expected to win at least 27 seats in the 3 May 2007 Assembly election. On that basis it planned to carry on running Wales, albeit as a minority administration. In the event the party came one seat short of achieving their minimal objective, conceding the fourth list seat in Mid and West Wales to Plaid Cymru by just 500 votes. The result meant that coalition politics in Wales was firmly on the agenda.

The nature of the coalition discussions that took place over a remarkably eventful two months reflected the reality that Labour was lucky to win even 26 seats. The fact that they did was due to the Additional Member System of partial proportional representation used to elect the Assembly. In the event Labour won 43 per cent of the seats on the basis of just 31 per cent of the vote (averaged across the constituency and list results).

In all Labour lost six constituency seats, gained one (dissident John Marek's Wrexham) and picked up two on the list in Mid and West Wales. At the same time they came within a handful of votes of losing the Vale of Glamorgan, the Vale of Clwyd and Delyn to the Tories (see Table 1). If they had lost these seats it would have meant a new government within weeks rather than several months after election.

An examination of the Welsh constituencies ordered by the majorities the winning parties achieved (Table 1) reveals a new crop of marginals, most of them Labour's to lose in 2011. There are now 15 seats which have majorities of less than 2,000, most of them Labour. The exceptions are two held by the Conservatives (Carmarthen West and Pembrokeshire South, and Clwyd West), one by Plaid Cymru (Aberconwy) and one by the Liberal Democrats (Montgomery). Remarkably, of the three safest seats in Wales, two are now held by Plaid Cymru and one by the Conservatives.

This was Labour's worst election result in Wales since 1918. Tables 2 and 3 show how Labour's Assembly vote has steadily declined since 1999. In these calculations it is as important to record the actual votes cast as the percentages, since we are dealing with differential turn-out from election to election. In 2003 Labour's percentage of the constituency vote rose slightly, from 37.6 per cent to

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40 per cent. But this was because the turn-out in the election was low, falling from 46 per cent in 1999 to just 38 per cent. As Table 2 makes clear, the actual numbers voting for the party fell substantially, by some 44,136 votes. And in 2007, despite the turn-out increasing to 44 per cent, the numbers voting for Labour fell again, by a further 25,610. Labour's share of the list vote declined even more steeply, as Table 3 shows. Plaid actually shed more votes between 1999 and 2007 than Labour – 71,451 against 69,746 – though its position in 2007 improved compared with 2003.

Across the country voters coalesced around whoever had the best chance of defeating Rhodri Morgan's incumbent government. In Preseli Pembrokeshire, Carmarthen West and South Pembrokeshire, Clwyd West and Cardiff North it was the Tories. In Llanelli, Ceredigion, and Aberconwy it was Plaid Cymru. In Blaenau Gwent it was the Independent Trish Law. Labour might have lost Caerphilly or Islwyn to Plaid if independents, including devolution architect Ron Davies, had not intervened and split the anti-Labour vote.

Labour's share of the vote fell in 39 out of the 40 constituencies. The exception was Cardiff Central where, in second place, the party was three points up on 2003 but still 30 points adrift from the Liberal Democrats' Jenny Randerson. Even in Wrexham, which Labour regained, it fell back three points compared with 2003. Overall Labour saw its percentage vote fall by just under eight points to 32.2 per cent, exactly the same as its share of the constituency vote in Scotland. As Aberystwyth psephologist Roger Scully observed, "This is the first time that Labour's vote share in Wales has NOT been greater than in Scotland since 1924, when they were also on dead level at 40.6 per cent."

How far can Labour's share of the vote decline? There is no doubt that the trend in their vote is downwards while those of the Conservatives is upwards, Plaid's more volatile, the Liberal Democrats' static. The Conservatives benefited from the popularity of David Cameron and favourable coverage in the London press, reflected in strong leads for the party in the UK polls in the run-up to the Assembly election. Certainly it is the case that in most seats where they came second in 2003 they focused their efforts and their support surged.

There were two exceptions to this analysis which shows how difficult it is to make broad generalisations about an electoral landscape that all too often veers towards localism. The first was Newport East where in an extraordinary result the Liberal Democrats jumped clear of the Conservatives to threaten Labour (of which more below).

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Table 1: Welsh constituencies ordered by majority in the 2007 election

	Constituency	Party	Majority
1	Vale of Glamorgan	Labour	83
2	Vale of Clwyd	Labour	92
3	Carms West and Pems South	Conservative	98
4	Delyn	Labour	510
5	Newport East	Labour	875
6	Clwyd South	Labour	1,119
7	Gower	Labour	1,192
8	Wrexham	Labour	1,250
9	Newport West	Labour	1,401
10	Swansea West	Labour	1,511
11	Clwyd West	Conservative	1,596
12	Aberconwy	Plaid Cymru	1,693
13	Caerphilly	Labour	1,937
14	Neath	Labour	1,944
15	Montgomeryshire	Liberal Democrat	1,979
16	Islwyn	Labour	2,218
17	Bridgend	Labour	2,556
18	Cardiff South and Penarth	Labour	2,754
19	Preseli Pembrokeshire	Conservative	3,205
20	Alyn and Deeside	Labour	3,362
21	Pontypridd	Labour	3,387
22	Cardiff West	Labour	3,698
23	Llanelli	Plaid Cymru	3,884
24	Ceredigion	Plaid Cymru	3,955
25	Ynys Môn	Plaid Cymru	4,392
26	Merthyr Tydfil	Labour	4,581
27	Cardiff North	Conservative	4,844
28	Swansea East	Labour	4,961
29	Arfon	Plaid Cymru	5,018
30	Brecon and Radnor	Liberal Democrat	5,354
31	Blaenau Gwent	Independent	5,357
32	Torfaen	Labour	5,396
33	Cynon Valley	Labour	5,623
34	Rhondda	Labour	6,215
35	Cardiff Central	Liberal Democrat	6,565
36	Aberavon	Labour	6,571
37	Ogmore	Labour	7,900
38	Carmarthen East and Dinefwr	Plaid Cymru	8,469
39	Monmouth	Conservative	8,469
40	Dwyfor Meirionnydd	Plaid Cymru	8,868

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Table 2: Constituency vote in the 2007, 2003, and 1999 Assembly elections

	2007			2003			1999		
	Votes	%	Seats	Votes	%	Seats	Votes	%	Seats
Labour	314,925	32.2	24	340,535	40.0	30	384,671	37.6	27
Plaid Cymru	219,121	22.4	7	180,185	21.2	5	90,572	28.4	9
Conservative	218,730	22.4	5	169,842	19.9	1	162,133	15.8	1
Lib Dem	144,450	14.8	3	120,220	14.1	3	137,857	13.5	3
Independents	80,906	8.3	1	40,053	4.8	1	47,992	4.7	0

Table 3: Regional List Vote in the 2007, 2003, and 1999 Assembly elections

	2007			2003			1999		
	Votes	%	Seats	Votes	%	Seats	Votes	%	Seats
Labour	288,954	29.6	2	310,658	36.6	0	361,657	35.5	1
Plaid Cymru	204,757	21.0	8	167,653	19.7	7	312,048	30.6	8
Conservative	209,153	21.4	7	162,705	19.2	10	168,206	16.5	8
Lib Dem	114,500	11.7	3	108,013	12.7	3	128,008	12.5	3
Others	157,520	16.2	0	130,531	11.8	0	51,938	4.9	0

The second exception was Carmarthen West and Pembrokeshire South where the Conservatives came from 20.5 per cent and third place in 2003 to win the seat in 2007 with 30 per cent of the vote. No-one was more surprised at this result than the Conservative candidate herself, Angela Burns. An incomer to the area, she had only joined the party a year or so earlier, attracted by the politics of David Cameron. As her website proclaims, "Until now Angela has not considered herself a mainstream politician." What can account for her victory? Certainly, a major issue in the campaign nationally, the health service, played exceptionally strongly in Pembrokeshire where the election debate revolved around a threat to downgrade Withybush hospital in Haverfordwest. A leaflet widely circulated by the Save Withybush Action Team pressure group during the campaign pronounced, "Whatever our normal political hue we need to make it clear that any threat to our services by any political party will not be tolerated by the voters."

Plaid Cymru might have expected to benefit from this injunction as well but in Preseli and southern Pembrokeshire it mainly resulted in assisting the mobilisation of Conservative-inclined voters. Plaid Cymru observers in Carmarthen West and South Pembrokeshire also pointed to the ongoing trend of in-migration into the area.

Overall, across Wales Plaid Cymru achieved exactly the same percentage as the Conservatives in the constituency vote, and fell slightly behind on the list vote.

However, unlike the Conservatives Plaid can look to its performance in 1999 when it scored 28 per cent of the constituency vote. Any return to this level of support for Plaid would undoubtedly be mainly at the expense of Labour.

On the face of it Plaid Cymru did well on 3 May 2007. It won three seats, and is clearly established as the second party in the Assembly. Its nightmare was to be overtaken by the Conservatives, a bad dream that failed to materialise. Moreover, all its seats are now held with reasonable majorities. Ahead of the election the new seats in the north-west Wales were branded marginals. In the event Arfon, which now embraces Bangor, returned a convincing 5,018 majority for Alun Ffred Jones, while Gareth Jones has a respectable 1,693 majority in the new seat of Aberconwy. Llanelli, which Plaid lost by 21 votes in 2003, now has a 3,884 majority for Helen Mary Jones. Plaid's strong showing in Ceredigion, where it won convincingly in a straight fight with the Liberal Democrats, means it is well-placed to win the seat back from them at the next Westminster election.

Other pluses for the party include returning Wales's first ethnic minority member, Mohammed Asghar, on the list in South East Wales, and also polling a respectable 25 per cent in Rhodri Morgan's Cardiff West. Both these results lend weight to Plaid's claim to have strengthened its appeal across the whole of the country.

On the other hand Plaid Cymru barely increased its overall share of the vote compared with 2003. Some of the blame for this can be placed at the door of the startling rise in votes for Independent candidates, for example Ron Davies in Caerphilly whose strong showing arguably enabled Labour to hold on to the seat. At the same time the salience of the Independents also served to underline the highly localised character of the campaign across much of Wales. Given that Plaid Cymru sees itself as being a major instrument in creating a sense of a national campaign for the country as a whole, a key test of the new coalition government is whether it assists or hinders its efforts in this regard in 2011. Will Ieuan Wyn Jones's new and unprecedented position as Deputy First Minister enable him to project a distinctive national leadership to help the party electorally? Or will he simply be eclipsed by Labour's inevitable dominance of the coalition government?

The Welsh Liberal Democrats suffered from exaggerating their prospects ahead of the election. They anticipated winning an extra two or even three seats, and so were widely perceived as having done badly when in the event they only managed to retain their existing six. However, a closer examination of the result reveals a rather different picture. In the first place they achieved their highest

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constituency poll in an Assembly election so far, albeit with a modest increase. More significantly, the party polled extremely well in a number of key seats, in particular Swansea West and Newport East, which reflects its success in local elections in these places.

As mentioned earlier, the Liberal Democrats' most remarkable result was in Newport East. Here Ed Townsend, a former journalist and Liberal Democrat Press Officer in the National Assembly during the first term, who has established himself on the local council, pushed his vote up from 16 to 28 per cent, overtaking the Conservatives and running Labour a close second. Labour fell 12 points and now holds the seat with a majority of just 875 votes, making it a key marginal next time.

The underlying story of this election is what it tells us about the marginals in 2011. As stated at the outset most of these are now Labour's to lose. The one exception is Carmarthen West and South Pembrokeshire which is now a narrow three-way split between the Conservatives (30.07 per cent), Labour (29.73 per cent), and Plaid Cymru (29.19 per cent). Here a 100 votes separates each of the parties. In 2011 it will be the Conservatives to lose and perhaps Plaid Cymru's to gain. Elsewhere, all the seats are Labour's to lose, with the Conservatives set to gain, but losing out on the List as a consequence.

The headline story of the election was the end of Labour's overwhelming hegemony of Welsh politics, after nearly a century of enjoying that position. Wales is experiencing a new pluralism in its politics, as the coalition negotiations which immediately followed the election so dramatically demonstrated.

CHAPTER 2

The Red-Green Alliance

At various times in the fraught two months following the 3 May election each of the four parties in the National Assembly faced the prospect of participating in Government, and each also stared into the abyss of Opposition. There were two critical moments. In the first the Welsh Liberal Democrat Executive Committee, in a tied vote, rejected the opportunity to participate in the so-called Rainbow coalition government with Plaid Cymru and the Conservatives. In the second, the Plaid Cymru Group was faced with an extraordinary, unforeseen and historic choice: whether to be the junior partner in a coalition with Labour, or engineer a no confidence vote that would result in it leading a Rainbow coalition with the Conservatives and Liberal Democrats.

In the event, and following two months of tortuous negotiations, Labour and Plaid Cymru signed up for what became known as the Red-Green Alliance. Both agreed that the allure of stable government, capable of advancing the Welsh devolution cause and with the prospect of lasting a full four-year term, was preferable to any other option. Yet, of all the possible outcomes this was perhaps the most unexpected. Peter Hain, the Secretary State for Wales, had categorically denied it in an answer to a question from Plaid Carmarthen East MP Adam Price in the House of Commons as recently as the March St David's Day debate. The possibility was floated by BBC Wales during the election campaign but vigorously rejected by Labour.

The decision was not easily made, although in the end it was supported by large majorities at special conferences held by both parties.¹ It exposed deep divisions within the Labour Party, especially between AMs in the Assembly and MPs at Westminster. And although Plaid Cymru's National Council gave its leader Ieuan Wyn Jones its support, for many it was with a heavy heart. When would circumstances conspire again to give the party an opportunity to lead a coalition? What would be the electoral consequences of the deal with Labour?

1) At Labour's special conference on 6 July the overall vote in favour of the deal was 78.43 per cent, with 21.57 per cent against. Party affiliates – of which the four unions Unison, TGWU, Amicus and GMB had around 70 per cent of the votes in their half of the ballot – backed the deal by 95.83 per cent to 4.17 per cent. Crucially, there was also a majority, though smaller, among the constituency and other party units, with 60.02 per cent in favour to 38.98 per cent against. The following day Plaid Cymru's National Council (representing the party's constituencies and branches) supported the deal with 225 delegates (92 per cent) voting in favour, and 18 (8 per cent) against.

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On a number of occasions during the negotiations that followed the 3 May election Ieuan Wyn Jones spoke of his party having “crossed the Rubicon” from leading the Opposition to participating in coalition government.²

Certainly, the events during May to July 2007 were unprecedented in the history of Welsh politics. They opened up new possibilities and, for many, alarming ideas of cohabitation between political traditions that had previously been irreconcilable. The most unlikely for many participants and observers, was the novel idea of Plaid Cymru collaborating with the Conservatives. Indeed, in the months leading up to the election and for the first three weeks or so afterwards Welsh Labour leaders simply did not believe this was a realistic prospect and so discounted it as part of their thinking. Consequently, when the so-called Rainbow Alliance was tabled in the concrete form of the *All Wales Accord*, signed by the leaders of Plaid Cymru, the Welsh Conservatives, and the Welsh Liberal Democrats, many people in the Labour party experienced a state of shock. Some in the other parties claimed that Labour had been in a state of denial.

Then, when the Rainbow Coalition slid off the agenda, due to the refusal of the Liberal Democrats’ Executive to endorse it, on a split nine-to-nine vote, another improbable cohabitation emerged, between Labour and Plaid Cymru, the so-called Red Green Progressive Alliance. This time the improbability reflected a long history of mutual enmity between the two parties, especially in the south Wales Valleys. Pontypridd MP Kim Howells gave the most vivid expression to this, in a colourful letter urging officers of his constituency party to vote against the deal:

It may be that many, or some, of Labour’s AMs agree with significant elements of the Plaid Cymru agenda and that they see no difficulty or danger in a much more powerful set of administrative functions for the Assembly. I understand that there are Labour AMs who are comfortable, for example, with a shift to Cardiff of responsibility for tax-raising (and fixing) powers and for a ‘review’ of the principle and working of the Barnett formula (which determines how much the Assembly gets from the Treasury), as well as control to be handed to the Assembly of key

2) A metaphor for deliberately proceeding past the point of no return, the saying derives from Roman law which forbade any general from crossing the river with an army. The Rubicon was considered to mark the boundary between the Roman province of Cisalpine Gaul to the north and Italy proper to the south. The law thus protected the republic from internal military threat. When Julius Caesar crossed the Rubicon in 49 BC to make his way to Rome he broke that law and made armed conflict inevitable. According to Suetonius he uttered the famous phrase *a lea iacta est* (‘the die is cast’).

England/Wales responsibilities such as those that determine the shape and administration of justice and law and order. All of these aspiration are, of course, at the heart of the nationalist agenda. They lead ultimately to separation and independence. It is ironic that the very same party that for so long held at bay the separatists and cultural and political nationalists is prepared now to provide for their former enemies an Assembly vehicle that transports those same nationalists to the gates of independence.³

However, for others the Red-Green Alliance was entirely logical, linking back to the referendum in 1997 when west Wales – Y Fro Gymraeg – and the Valleys joined together to deliver a melodramatic victory, albeit by just 6,721 votes. As Kevin Morgan, chair of the Yes for Wales Campaign at the time, put it:

I for one welcome the prospect of the two great progressive forces in Welsh politics coming together. For many years there have been internal divisions in Labour between what might be called British Labour and Welsh Labour. Devolution has forced this division all the more into the open. I was very struck by Rhodri Morgan's remark in his third term acceptance speech that he would be seeking a progressive consensus. There are those in the party who are viscerally opposed to any kind of link with Plaid Cymru. For too long in Wales, people have been stuck in their silos indulging in a kind of antediluvian, juvenile politics that passes for mature politics. What needs to be remembered is that Wales is not the first place in the world where parties from different traditions have worked together – it's actually one of the last.⁴

A more philosophical justification for the Red-Green *One Wales* deal that eventually triumphed came from Plaid's Carmarthen East AM Adam Price. He was actually the leading broker of the Rainbow option, being the main author of the *All-Wales Accord* that expressed its aspirations. However, all along he favoured the Red-Green alternative, calling in aid the Sardinian Communist leader Antonio Gramsci:

3) Western Mail, 4 July 2007.

4) Western Mail, 19 June 2006.

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In seeking to challenge a dominant hegemony there are basically two choices, Gramsci said, either a 'war of movement' – a rapid, frontal assault on the citadels of power, or a 'war of position' – a slower, broader and less dramatic attempt to appropriate the ruling hegemony for one's own political purposes.

A quarter of a century ago Plaid Cymru opted for the latter strategy, positioning itself as a 'socialist' party within the dominant discourse of Welsh politics but seeking at the same time to 'burrow into the contradictions' thrown up by the Labour Party's undying support for the unitary British state. The strategy has been electorally and politically successful, gaining Plaid Cymru seats and dragging Labour, however unwillingly in a nationalist direction.

The historic Plaid-Lab agreement is the latest step in this twenty-five year strategy. But it is not its final act. Hegemony is always and in all places inherently dynamic. The final chapter is yet to be written – we will write it ourselves – but it could involve the emergence of Plaid, as in Scotland, as the largest party of the left and inheritor of the Left's hegemony, or the creation of a genuinely autonomous Labour Party which has finally broken its umbilical ties with the British State. Either outcome would accelerate our progress on the path to political independence.⁵

Yet, many in Plaid Cymru rejected this analysis, arguing that Labour is no longer, if it ever was, the progressive 'socialist' partner that Price describes. Instead, they say, it represents the dying presence of British colonialism in Wales. Moreover, in the May election Labour lost ground across the country wherever a credible alternative candidate presented a chance of winning. There was a clear sense in which Labour had lost the election. They feared Plaid would pay a heavy price in the next Assembly election in 2011 for propping it up.

Further, they argued that yoking Plaid with Labour creates an unnatural union, bringing together two of the most powerfully opposed forces in Welsh political life. Plaid Cymru wants to build Wales as a nation and break-up Britain into its component entities, co-operating to be sure but on the basis of autonomous political cultures. Meanwhile, despite

being the main agent for delivering devolution in 1999, Welsh Labour still sees Britain as its primary point of reference, and London as where the really important decisions are made.

Of course, the same could be said of the relationship between Plaid Cymru and the Conservatives who, on the face of it, are even more Unionist in their approach. But this misses the extraordinary extent to which the Welsh Conservative leadership in the Assembly have adapted to devolution. In many respects the Welsh Conservatives have benefited from the coming of the Assembly which, in the first elections in 1999, gave them a toehold in Welsh politics following the best part of a decade during which they had more or less disappeared off the Welsh political map. They determined, in a way perhaps typical of a party that naturally aspires to government, that they must change or die. And change they did, almost effortlessly it seemed, embracing a Welsh patriotic agenda that went far beyond their well-established positive attitude to the language and culture to connect with a recognition of the Welsh political nation and the new relationships it would have to forge within the United Kingdom Union (rather than Unitary) State.

These were some of the underlying themes that emerged and were played out during an often tense two months that followed the inconclusive election result on 3 May. With just 26 seats Labour seemed almost euphoric in the days following the election. A poor result masqueraded as merely mediocre. However, with just 32 per cent of the vote the party could easily have fallen to 24 or 23 seats, which would have been an unambiguous reverse. In those circumstances a new coalition government would have been negotiated within a few weeks rather than a few months of the election.

Instead, Labour ended up as clearly the largest party rather than suffering a massive reverse. And this started them out on the wrong track. They acknowledged that they would have to talk to other parties in order to establish a stable government for a four year period, but began with the view that this need not necessarily require a formal coalition. Rhodri Morgan set the tone when, in a much-quoted interview with Today programme on BBC's Radio 4, he referred to his options of dealing with the Plaid Cymru or the Liberal Democrats as "a choice between the inedible and the unpalatable".⁶

Though characteristic of Rhodri Morgan's often beguiling and generally irreverent approach to politics, for the other parties the quip symbolised an arrogance they found hard to stomach. Ed Townsend was one. A former Liberal Democrat Press Officer during the first term at the National Assembly and now leader of party's group on Newport Council, he came from third place in Newport East in the 2007 Assembly election to run Labour a close second. As he put it after the result:

6) 8 May 2007, and reported in the *Western Mail* the following day.

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All across Wales people are prepared to vote for a credible alternative to Labour if they think that alternative has a chance of winning. In my view it makes no sense at all for us to prop up what is widely perceived as a failed group of people. On election night I listened to the victory speeches coming from re-elected Labour AMs. It was the usual triumphalist stuff, with no hint that lessons had been learned or messages picked up from the electorate. They still think they have a right to run Wales, just as they have always done.⁷

David Melding, the Conservative AM for South Wales Central who led the Rainbow coalition negotiations for his party, echoed this view:

Rhodri Morgan found it extremely difficult to adjust to his new situation. Until now he has operated as though the other parties are not an integral part of the Welsh body politic. The May election results mean that Labour will have to undergo a profound psychological change. For the foreseeable future they will probably remain the largest but not the dominant party in Welsh politics. This is a major shift. But in the first two weeks following the election they did not negotiate with the fervour that should have reflected the reality of their position.⁸

And there is no doubt that to begin with there was a lethargy around the negotiations, prompted by a lack of urgency on the part of Labour. Yet, the clock was ticking. Under the terms of the 1999 Wales Act that established the Assembly, if a Government was not formed within 28 days of the election (that is, by 30 May), a new election would be triggered. As Adam Price recalled:

To a large extent we lost the first two weeks. Rhodri Morgan parked himself in Cathays Park and allowed things to swing in the wind. He operates on the principle of letting sleeping dogs lie, in the hope that problems will go away. But that doesn't work when there is a ticking clock.⁹

7) Western Mail, 9 May 2007.

8) David Melding AM, interviewed by the author on 15 June 2007. All further quotations from Melding in this paper have the same source.

9) Adam Price MP, interviewed by the author on 8 June 2007. All further quotations from Price in this paper have the same source.

CHAPTER 3

Liberal Democrats Reject Labour

At an early moment in their negotiations one unnamed Labour figure spoke of hugging the Liberal Democrats close and strangling them slowly.¹⁰ This was not the best way to convince members of a smaller party to engage in constructive dialogue. It was not clear in the early weeks whether a formal coalition with the Liberal Democrats was being contemplated or a less formal partnership arrangement. Jane Hutt, Labour's Business Manager and chief negotiator throughout the coalition talks was aware of the Liberal Democrat lack of enthusiasm:

It wasn't a matter of simply returning to the position in the first term and a coalition with the Liberal Democrats. They were in quite a different situation as a result of the election, with significant elements calling for them to go into Opposition. We read the blogs the same as anyone else. All the vibes from the Liberal Democrats seemed to us to be negative. They never came to us to ask for a coalition.¹¹

In fact, at an early stage views within the Liberal Democrats were finely balanced over the case for going into coalition. If Labour had presented a more positive case they might have prosecuted their cause more effectively. A defining issue was the Liberal Democrat demand for the proportional STV voting system to be used in local government elections, a concession that had already been made in Scotland. However, the consequences to Scottish Labour of that concession simply reinforced opposition amongst the party in Wales. In Scotland Labour did particularly badly in the local elections held on the same day as elections to the Scottish Parliament on 3 May 2007. The party lost eight councils to 'no overall control', while the SNP drew ahead in terms of council seats, with 363 to Labour's 348.

Liberal Democrat lack of enthusiasm for a deal with Labour was in part a reflection of their disappointment at their election result. South West Wales AM Peter Black pointed out that, unlike 1999 or 2003, Labour and the Liberal Democrats had polled fewer than 50 per cent of the vote between them. He said the Liberal Democrats should go into opposition and he called for a early leadership election:

10) Western Mail, 19 May 2007.

11) Jane Hutt AM, interviewed by the author on 18 July 2007. All further quotations from Hutt in this paper have the same source.

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We need to take stock and consider what went wrong in our campaign. While we had a lot of policies, my view is that on some of the really important issues which concern people, like the health service, we were too vague in terms of what we said should be done.¹²

Moreover, Liberal Democrat memories of their previous partnership with Labour in the Assembly, between 2000 and 2003 had left a mark. The party's Press Officer in the Assembly at the time, Ed Townsend, recalled:

My initial inclination was to oppose that deal, but like many other party members I was persuaded to support it because of the argument that we would be able to get our policies into the government programme. In retrospect, I don't think we as a party got anything out of it politically. It was good for Wales, because it provided stability, but it ended badly with different interpretations about who had been responsible for the successes.¹³

There was no doubt that such recollections were influential in the nine to three vote to suspend negotiations with Labour by the Welsh Liberal Democrat executive, meeting in Llandrindod on the evening of Thursday 17 May. Jenny Randerson, the Cardiff Central Liberal Democrat AM who led the Rainbow coalition negotiations for her party, said she made up her mind while driving to the meeting:

My thinking went like this: we can do a deal with Labour, but it won't be exciting or different, it will just be more of the same. I was completely uninspired by that. Not all politicians, you know, have it as their sole objective to get into government, come what may.

On the other side we had the opportunity of a non-Labour government running Wales for the first time in a hundred years. We had specific issues with Labour, most saliently our demand for STV in local elections, but I think we could have negotiated that, possibly using the idea of a referendum as a bridge, as we did in the Rainbow All-Wales Accord.

12) Western Mail, 7 May 2007.

13) Western Mail, 9 May 2007.

But the fact was we had little appetite for a coalition with Labour. The mood music was 'do you want to climb aboard a sinking ship'? Inevitably we were to some extent looking ahead to the next election. And from the point of view of an AM, it is difficult to contemplate suddenly going into coalition with a party you have been criticising for the past four years. It was very different when we negotiated the coalition in 2000. Then Rhodri Morgan, having replaced Alun Michael, represented a fresh start. And we prepared for a coalition over a six month period, from the time Rhodri took office in February to the summer recess when we seriously began negotiating. We then worked across the summer in a situation where there were none of the pressures that we had to deal with after the May 2007 election. In particular, there was no time limit, and perhaps more significantly, we were able to talk without the glare of the media – no-one realised that talks were underway. There had been intense speculation immediately following Rhodri Morgan becoming First Minister, but after that it died down.¹⁴

However, looking back, the President and Chair of the Liberal Democrats, Rob Humphreys said he believed it was a mistake for the party to suspend talks with Labour at that point:

I think we should have kept talking but opened up negotiations with Plaid and the Conservatives for the Rainbow option at the same time. Certainly our insistence on STV in local elections was a sticking point, and for us a make or break issue, but I think Labour would have come round in the end. The lesson from the two months of negotiations between the various parties is that the one who maintains two balls in the air the longest is in the strongest position.¹⁵

Nonetheless, following the Executive, the party's leader, South East Wales AM Mike German, said that talks with the Plaid Cymru and Welsh Conservative leaders had convinced him that there was a substantial policy programme on which they could agree:

14) Jenny Randerson MP, interviewed by the author on 13 June 2007. All further quotations from Randerson in this paper have the same source.

15) Rob Humphreys, interviewed by the author on 10 July 2007.

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The drive must be to have a different set of values for our politics in Wales, one which values the freedom of the individual, one which is not statist in operation, and one which believes firmly in community. I think these are values we share in common.¹⁶

CHAPTER 4

The Stability Pact

As well as opening discussions with the Liberal Democrats on a formal coalition, Labour also opened the door to what became known as a 'stability pact' with Plaid Cymru. In the first month following the election a coalition with Plaid was overwhelmingly rejected. According to the *Western Mail*, at an early Group meeting of Labour's AMs in the Assembly:

Many members were swayed by a speech from Enterprise Minister Andrew Davies in which he warned that if Plaid were given credibility by being allowed a say in government, they could pose a serious threat of repeating in 2011 what their sister party the SNP had achieved in Scotland [following the 2007 election].¹⁷

The 'stability pact' which had been trailed before the election was based on recent experience in New Zealand where the governing Labour party had managed to stay in office by negotiating arrangements short of formal coalition with smaller parties. During the election campaign it was revealed that Labour had been studying various arrangements there.¹⁸ Moreover, at the end of the week following the election the New Zealand Health Minister Annette King attended a Labour event in Barry. There she had talks with Rhodri Morgan and the following day was invited to speak to a meeting of the Welsh Labour Executive. As Jane Hutt recalled:

We had a long discussion about how the New Zealand Labour government operates through stability pacts. It has a coalition with one party and three separate agreements with other parties over issues around confidence and supply. That is to say, in return for policy agreements, the Opposition parties involved agree to support the budget and not support no confidence motions. The New Zealand approach was very attractive to us and the following week we developed the notion in talks with both the Liberal Democrats and Plaid Cymru. Indeed, we thought a stability pact with both parties might be one option for us.

17) Martin Shipton, *Lib-Lab pact on way amid fear of Plaid win in 2011*, *Western Mail*, 9 May 2007.

18) *Western Mail*, 25 April 2007.

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However, such a pact was never a serious prospect for either the Liberal Democrats or Plaid Cymru. The Liberal Democrat Executive ruled it out early on in their negotiations with Labour. Plaid Cymru pursued it as far as they could to discover the maximum concessions they could achieve. However, as Adam Price put it:

We never wanted this kind of arrangement, but we felt it was necessary to go along with the Labour negotiations to demonstrate that we had taken the Labour option seriously.

Plaid Cymru's lack of enthusiasm for the arrangement was mirrored by Labour's slowness in the negotiations. So much so that on Monday 21 May, nearly three weeks after the election, Ieuan Wyn Jones gave Labour an ultimatum to come up with serious proposals by the following day or face the prospect of a Rainbow coalition by default:

The Labour Party and Rhodri Morgan are being very irresponsible in leaving any meaningful discussion with us until the last minute. There seems to be an unwillingness to move on many key issues such as stopping the hospital reconfiguration programme, which was central to the election campaign and one reason why Labour lost votes throughout Wales. Other sticking points include the timing of a referendum on a Scottish-style Parliament.¹⁹

The irritation in these remarks was in part a response to Rhodri Morgan's decision to fulfil an engagement in London that evening and stay overnight at what Plaid regarded a critical moment in the talks. Morgan was, in fact giving a speech to an audience in London's Athenaeum Club in which he questioned the democratic legitimacy of a Welsh government that excluded Labour as the largest party:

It is mathematically possible for the second, third and fourth party to form a coalition but is that really what the people of Wales want? Was that what they voted for? Does it raise an issue of a denial of democracy?²⁰

19) Western Mail, 22 May 2007.

20) *Ibid.*

Ieuan Wyn Jones's ultimatum had the effect of a document being at least partially finalised the following day, in a form that could be presented to the Plaid Cymru Group. However, there was not time for the two leaders to reach final agreement on a number of key matters. These were an independent Commission on the Assembly's funding, a new Welsh Language Act, and NHS reconfiguration. These three commitments were all qualified by being subject to further negotiation in the document considered by the Plaid Group on the evening of 22 May. It is noteworthy that the document, as released by the Labour Party the following day had the qualification to the first two removed. To Plaid's negotiators this betrayed a level of uncertainty in Labour's commitment to the undertakings that they found unsettling. It was noteworthy, too, that in the document published by Labour, NHS reconfiguration still remained, at that point, subject to "detailed discussion at Party leader level".

In any event, and as reached by 22 May, the 'Stability Co-operation Agreement' had five pillars:

- Measures to strengthen Wales by progressing constitutional development, the achievement of a bilingual society, a vibrant national culture and a united country.
- Measures to encourage an enterprising and innovative economy.
- Concerted action on climate change, energy efficiency and sustainability.
- A programme of investment in healthcare and well-being.
- Major commitments on social justice, including childcare, affordable housing, council tax and student debt.

What was most interesting was the first pillar and the language used in setting out its priorities. Plaid Cymru had wanted it to be headed 'Building the Nation', a terminology that Labour would not accept. Instead, Pillar One was described as 'Building a Stronger Wales' and set out the following priorities:

- Commitment to holding a referendum on law-making powers by 2011 unless there is an agreement to defer.
- Independent Commission on Funding and Finance to include the Barnett Formula, tax-varying powers including corporation tax, borrowing powers [to be discussed between the Party leaders].
- A new Welsh Language Act to ensure official status, linguistic rights in the provision of services and the establishment of the post of Language Commissioner [to be discussed between the Party leaders].
- A national Welsh medium education strategy and implementation programme.
- Relocation of Assembly divisions to north Wales, west Wales and the Valleys.

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There were some concessions here. The inclusion of a referendum on more powers was important, although the qualification undermined its firmness and, in any event, the principle had already been conceded in the 2006 Wales Act.²¹ A Commission to review the operation of the Barnett formula, long called for by both Plaid Cymru and the Liberal Democrats but resisted by Labour, was a clear concession. So, too, was the a new Welsh Language Act which had been firmly ruled out by Labour before the election. As Jane Hutt recalled.

We felt we had made huge progress. We had reached a considerable amount of agreement, which we felt would have given Plaid a good deal of the policy commitments they favoured and a measure of power and influence over the budget. Clearly there were areas which had question marks. But its important that you don't rush into policy commitments in areas such as affordable housing which can result in poor government. The document would require more discussion but we were fully committed to it.

However, despite this progress, and following a five hour meeting, the Plaid Cymru Group voted by 10 to 5 to suspend talks with Labour and by implication press ahead with the Rainbow deal with the Conservatives and the Liberal Democrats.²² Labour's inability to guarantee the agreement on the independent finance commission and the Language Act, without further talks, was a factor. However, the main sticking point was a direct role in government with Plaid Ministers in the Cabinet and at this point the Rainbow option presented the most realistic prospect of achieving this.

21) Under the terms of the Act a referendum on full legislative powers would be triggered by a vote of two-thirds of the Assembly's AMs.

22) Four of the five – Helen Mary Jones (Llanelli), Leanne Wood (South Wales Central), Bethan Jenkins (South Wales West), and Nerys Evans (Mid and West Wales) – were implacably opposed to any deal involving the Conservatives and so voted in favour of pursuing the Stability Pact with Labour. The fifth, Jocelyn Davies (South East Wales), who had been Plaid's negotiator on the Stability Pact, thought more time should be given it, though was not in principle against the Rainbow deal.

CHAPTER 5

The All Wales Accord

The Rainbow coalition talks had, in fact, begun the previous weekend when the Plaid Cymru, Conservative and Liberal Democrat leaders met in Aberystwyth for a preliminary discussion. This produced a two page summary document with a list of policy subject headings: health, education, economic development and so on, and with areas of disagreement bracketed.

In the early part of the following week Carmarthen East MP Adam Price, Plaid Cymru's lead negotiator, had bilateral meetings to go through the two-page paper, first with Jenny Randerson of the Liberal Democrats, and then with the Conservatives: Nick Bourne, Assembly leader, Jonathan Morgan, AM for Cardiff North, David Melding, AM for South Wales Central, and Lyndon Jones, Chairman of the Welsh Conservative Management Board. In the wake of these meetings Price drafted a further five page document:

It was at this point that I realised we couldn't simply produce a paper that cobbled together different parts of our various manifestos. We needed a document capable of inspiring people as well as coming up with an effective and achievable common programme for government.

This was developed through a series of intensive negotiations, as Melding recalled:

The negotiating process for the All-Wales Accord was highly compressed, just ten days from start to finish. The negotiations were extremely intensive, at times going on for five hours at a stretch. It was also an exhausting business. By and large I was not involved in the drafting and re-drafting, only the negotiations and I found that taxing enough. Adam Price undertook the main drafting burden and I have to say the intellect he applied was formidable. He began by presenting us with a grid, based on a detailed trawl through our manifestos, picking out points which we had in common.

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The document was divided into three parts:

- A short, half-page declaratory statement on the common ground between the parties which Melding drafted.
- The Policy Programme: Seven Pillars and Supporting Actions, drafted by Adam Price.
- Governance Arrangements for relationships between the three parties in the coalition administration. This was drafted by the Liberal Democrat Leader Mike German, utilising a template drawn from the coalition agreement between Labour and Liberal Democrats in the second session of the Scottish Parliament.

In its structure the *All Wales Accord* closely follows the Labour-Plaid 'Stability Pact'. Both laid out a programme of policy development at two levels: Level One, known as Pillars, which were firm policy, legislative or budgetary commitments; and Level Two, known as Additional Actions, which were agreements in principle but subject to further detailed discussion. At the core of the *All Wales Accord* is the Policy Programme which, as Jenny Randerson explained, was subject to intensive debate:

We negotiated the policy issues over a period of days during which we continually added more commitments, sometimes moving items from the Pillars into the Supporting Actions and the other way round. It would be fair to say that the Liberal Democrat approach was to try and pack the document with commitments, and we had a good deal of success in incorporating material from our Manifesto. On the other hand both Adam Price and David Melding were keen to go for the broad brush approach, sticking as far as possible to common policy principles which could be implemented. I recall Adam constantly saying 'Less is more'. He wanted things to be short and punchy, with a style corresponding to the Plaid Manifesto. There was a concern on their part at putting too many detailed commitments into the document, whereas our instinct was the other way. However, when the final document appeared it was about as comprehensive and detailed as the Partnership Agreement put together between Labour and the Liberal Democrats in 2000.

Significantly, and in contrast to the ‘Stability Pact’ terminology, the All Wales Accord’s Pillar 1 was described as ‘Building the Nation’. According to Adam Price, the only objection came from the Liberal Democrat side:

Plaid Cymru was insistent that the first pillar ‘Building the Nation’ should take precedence by being placed at the top. This prompted suggestions that it was too nationalistic and perhaps could be softened by being placed further down in the document. We held out on that. It was interesting that this objection came mainly from the Liberal Democrat side, which also objected to the emphasis on the word ‘nation’ in the document. This might seem odd, given the Welsh Liberal tradition for Home Rule and so on, going back to Lloyd George. Maybe it reflects the new dominance in the party of an Anglo-British wing from the urban south, a wing whose thinking perhaps sits uncomfortably with the more traditional Welsh Liberal background. In contrast there seemed a greater empathy by Welsh Conservatives with the notion of Welsh patriotism.

More generally, as Jenny Randerson put it:

Most of what is in the All Wales Accord is in at least two and sometimes three manifestos. We were working with the grain.

David Melding added:

I think people who have not been involved in this kind of process find it difficult to appreciate how complicated it is. However, I have to say our negotiations were undertaken in good faith and we were able to produce a serious piece of work. Of course, the result can be viewed both positively and negatively, in terms of what is contained in the agreement and what is simply not there.

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One item not to be found in the *All-Wales Accord* is any reference to nuclear power. This was an early issue, not least from a Plaid Cymru point of view, given Ieuan Wyn Jones's accommodation with renewing the Wylfa Nuclear Power station in his Anglesey constituency.

For the Conservatives a major issue was how the question of a referendum on greater powers for the Assembly would be presented. This was especially important for them since it appears as the first commitment under the 'Building the Nation' Pillar, as David Melding recalled:

We could not officially endorse this in the sense that we could direct the membership to campaign in favour. However, we undertook that Cabinet Ministers would abide by collective responsibility and would, of course, campaign in favour. On the issue of the detailed Richard recommendations – on the size of the Assembly, STV and so on, I don't recall us discussing this in depth.

For the Liberal Democrats and Plaid Cymru, for whom the Richard Commission package is extremely important, this omission was explained by Jenny Randerson in the following terms:

We felt we were better off allowing the experience of operating the Assembly with its new law-making powers to demonstrate that the present 60 members is inadequate. It would become obvious that the workload was too great and the argument for more members would unfold on its own account. In turn this would lead to the case for STV in electing the 80 members we believe are needed. We also felt there was a wisdom in avoiding being specific about the timetable for a referendum.

On this last point Melding added:

For us timing was a key question. We didn't want a referendum before the next general election which we expect in 2009, and certainly not in the run-up when a referendum might expose divisions in our ranks. Equally, we did not want it in 2011, in the same

year as the next Assembly election, for the same reason. So the optimum time would be in the Autumn of 2010, placing us well clear of the next UK general election and a good six months before the next Assembly election.

There were other compromises. On further powers for the Assembly, the Conservatives couldn't accept devolving the police and criminal justice which was in Plaid Cymru's Manifesto, but compromised on youth justice. As Melding put it, "We had to have something to offer." On the Barnett Formula an agreement was reached around the concept of an "independent Commission to investigate issues relating to the funding and financial powers of the Welsh Assembly Government". This avoided direct reference to tax varying powers and local income tax, though obviously there was an implication that those would have to be considered. Again, as Melding put it, "If we had spelled these out it would have been difficult for us."

Plaid Cymru and the Liberal Democrats were prepared to endorse STV for local government, another potential deal breaker. However, the Conservatives could only live with the commitment providing it would be subject to a referendum and not implemented before 2012. This was to avoid any possibility that it might affect the 2008 local elections. As David Melding said:

I spilt a lot of blood trying to get STV for local government into our Manifesto. So this was a major concession for us. But we argued, and I think they accepted, that we were going to need a referendum to get London to accept STV anyway. I think both Adam and Jenny became convinced that only a referendum would give the Assembly the moral authority to argue the case with Westminster.

All these were examples of issues that the negotiating teams referred upwards to their respective party leaderships. Others included:

- Plaid Cymru's Manifesto commitment to allow local authorities to limit the number of holiday homes where they exceed 10 per cent of the housing stock. This was opposed by the Conservatives and omitted from the *All-Wales Accord*.
- Conservative unwillingness to agree to the suspension of 'Right to Buy' in housing hotspots, as proposed in Plaid's Manifesto.

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- Inclusion of first-time buyer grants: this key Plaid Cymru requirement was questioned by the Conservatives but conceded.
- Plaid Cymru's core Manifesto commitment of free laptops for children in secondary schools at age 11 was modified to become a pilot scheme.
- Plaid Cymru's proposal for a Welsh-medium Higher Education College was clarified so that it would be at an existing centre rather than developed at an entirely new location.
- Retention of adult neuro-surgery at Swansea was agreed and the proposed move to Cardiff ruled out. This was despite worries that if it was kept it might undermine the existing provision of paediatric neuro-surgery in Cardiff.

Such disagreements were referred up to the three leaders to settle. But as Jenny Randerson observed:

What was very striking was that the Leadership group resolved all these issues extremely quickly, in little more than half-an-hour as I recall.

Most of the salient commitments that each party had highlighted in the election campaign found their way into the *All-Wales Accord*. These included Plaid Cymru's headline 'Seven for 07' policy commitments, the Conservatives' 15 key promises, with the Welsh Liberal Democrats able to identify more than 100 items from their manifesto.

All three parties had to be able to go back to their respective constituencies and argue that a large element of their manifestos had been embraced, a task that proved easier than they anticipated. As David Melding said, "What surprised us was that the other parties could put up with the essential requirements that we had."

The demands of each party fell broadly into three categories: essential, desirable, and those that could be negotiated away. For the Conservatives an example of the last category would have been more emphatic commitment to having the private sector involved in public service delivery. However, there is no mention of PFI in the *All-Wales Accord*. Nonetheless, Melding was surprised by how many Conservative policies that they considered 'desirable' found their way in. He cited the following:

- A lot of Conservative social policy was regarded by Plaid Cymru and the Liberal Democrats as better expressed than in their own Manifestos, for example Conservative proposals for 'looked after children' and for social workers.
- A surprising amount of agreement around enhanced provision for affordable housing and for greater flexibility in the planning system.

- Agreement to a pensioner discount off council tax.
- Agreement on providing an affordable system for universal childcare by 2015.

A note of discord arose around the distribution of portfolios. At one point Mike German suggested that the three leaders might become joint First Ministers, which he described as the ‘Three Crowns’ option. Nick Bourne suggested that there should be a hierarchy of leadership roles, depending on the relative strength of the parties. Both suggestions received scant attention. Under the *All Wales Accord’s* ‘Governance Arrangements’ there would be one Plaid Cymru First Minister and two, equal Deputy First Ministers, from the Liberal Democrats and the Conservatives. It was understood that there would be a Cabinet of nine: four from Plaid Cymru, three Conservatives, and two Liberal Democrats.

Reflecting the ease with which the negotiations were conducted, the Rainbow Coalition gained in popularity with the wider public as time went on. During the election campaign in April an opinion poll revealed that the idea of a Rainbow coalition was only favoured by a small minority, just 6.9 per cent. At this point a Labour-Liberal Democrat coalition drew most support, at 19.3 per cent, closely followed by 17.7 per cent favouring a Labour-Plaid Cymru coalition (29.5 per cent didn’t know).²³

However, once the Rainbow Coalition had become a real possibility and received a good deal of publicity as a result, a new poll showed it to be the most popular option by far. In late June it was supported by 41 per cent, compared with 28 per cent backing a Labour-Plaid coalition, and 21 per cent a deal between Labour and the Liberal Democrats. Moreover, 57 per cent thought a coalition government would be good for Wales compared with 27 per cent who thought it would be bad.²⁴

23) Research and Marketing Plus for ITV1 Wales: 1,015 adults surveyed between 5 and 16 April 2007.

24) ICM Research for BBC Wales, 24 June 2007.

CHAPTER 6

The Rainbow Vanishes

After a five-hour debate on Tuesday evening 22 May, the Plaid Group voted 10 to five to, in effect, pursue the Rainbow option by deciding to suspend negotiations on the Stability Pact with Labour. However, within hours the Rainbow option suddenly and dramatically vanished when the Liberal Democrat Executive failed to support it. Meeting in Llandrindod on the evening of Wednesday 23 May, the Executive split 9 to 9 on pursuing the deal, making it impossible for a recommendation to go forward to a special conference that had been convened for the following Saturday.

What accounted for this totally unforeseen twist to events? As Jenny Randerson herself pointed out, there was a clear contradiction in a party so long committed to proportional representation then turning round and voting against its consequences.²⁵ But as she later explained:

Mike [German] and I had been focusing on getting the deal right. We had not taken into account that there were people who were going to vote against it come what may. But we thought that the document would be good enough to persuade people.

This Liberal Democrat tied vote was such a pivotal moment in the complex negotiations that lasted across two months that it is important to fill in some of the background. This goes back to the first Labour-Liberal Democrat coalition between 2000 and 2003. At that time there were complaints by grassroots members that the party had been bounced into the coalition deal without a proper debate. The point was made that, faced with a coalition proposal from its Assembly Group, the party's special conference had no choice since opposing the deal would have resulted in the leadership being forced to resign.

As a result a mechanism was put in place in an effort to seek to avoid such a dilemma in future. This was a triple lock, requiring the party Group in the Assembly, the negotiating team, and the Executive all to give a coalition proposal approval before it was put to the conference. In the case of the 2007 Rainbow proposal, the Assembly Group voted 4 to 2 in favour, the negotiation team by 5 to 3, with significantly the party's policy chair Mike Woods of Aberystwyth voting against, and as we have seen the Executive by 9 to 9. Rob Humphreys,

²⁵ Interviewed by Radio Wales, 25 May 2007

chair of the Executive, had no casting vote since that would have given him two votes. Ironically, two Executive members, believed to be Rainbow supporters, did not attend. If they had, the deal might have gone through by 11 votes to 9.

There was a rich mixture of motives amongst those who rejected the deal. Some like South West Wales AM Peter Black argued that, since it had performed poorly in the election, the party should go into Opposition, rejecting a deal with Labour as well as the Rainbow option. The example of the Scottish party was cited. In Scotland the Liberal Democrats had decided against a deal with either Labour or the SNP, preferring opposition. Black also commented:

I think a number of members felt the All Wales Accord had too much of a nationalist flavour – it was dressed up in this rhetoric of nationhood that grated with a lot of members.²⁶

In Swansea, Bridgend, Cardiff and Wrexham, where Liberal Democrats run local authorities, some were fearful of the impact a coalition might have on their election prospects in 2008. The Liberal Democrat leaders of these councils were vociferous in their opposition to a deal with Labour. Instead they supported the Rainbow alternative. However, Brecon and Radnor AM Kirsty Williams opposed any deal involving the Conservatives, her main opponents in her constituency, but also because of an anxiety to position the Liberal Democrats firmly left of centre. Former Liberal MP for Montgomery and leader of the party, Lord Hooson, simply thought that Labour should rule as a minority administration because it had won most seats.²⁷ Others questioned whether the large range of commitments in the Rainbow deal were deliverable financially.

At the same time there was an underlying sense of old scores being settled as well. Lord Carlile, another previous leader of the Welsh Liberal Democrats and former MP for Montgomery, gave an extraordinary BBC interview in which he welcomed the Executive's decision and accused German of leading the party towards a dead end.²⁸ Certainly, in making the case for the Rainbow coalition at the Executive Mike German failed to persuade three or four crucial waverers who arrived at the meeting undecided which way to vote. A major concern amongst this group was the lack of precise costings against many of the spending commitments in the *All Wales Accord*.

26) Western Mail, 25 May 2007.

27) Letter to the Western Mail, 19 June 2007: "... it seemed to me to be naïve indeed for the Liberal Democrats to believe that they could simply enter into a rainbow alliance against the Labour Government. How can they have thought that the Conservative Party in Wales, or Plaid Cymru, or an unholy alliance between the two, would benefit, in any way, the Liberal Democrats?"

28) Interviewed on 'Good Morning Wales', BBC Radio Wales, 24 May 2007.

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Nonetheless, in short order the Liberal Democrats managed to reverse their decision. Utilising a little-known rule in their constitution, 20 party members signed a declaration demanding that their conference for Saturday be re-instated. This duly met and backed the *All-Wales Accord*, by 125 votes to 77. It was notable, however, that two AMs – Peter Black and Kirsty Williams – spoke against, along with three of the party’s four MPs. Only Montgomery MP Lembit Opik supported the Rainbow deal. This underlined the extent to which the party was divided politically, between those who saw themselves to the left of the Labour party and could not contemplate a deal involving the Conservatives, and those who supported the pragmatic case for the Rainbow option.

However, at Aberystwyth, where Plaid Cymru’s National Council was meeting at the same time, the feeling was overwhelmingly in favour of the Rainbow agreement. In a rousing speech, former Ceredigion MP Simon Thomas spoke of the party “crossing the Rubicon” towards participating in, and indeed leading, the government of Wales. And when he received the message of the Liberal Democrat conference vote, Ieuan Wyn Jones immediately declared that a Rainbow government with him as First Minister was possible once more.

However, by then events had moved on, given a distinct shove by the Presiding Officer Lord Elis Thomas. The morning after the Liberal Democrat stalling of the Rainbow coalition he called Ieuan Wyn Jones into his office to ask whether he was in a position to form an administration. Receiving a negative response he resolved to bring forward the date for choosing the First Minister from Tuesday the following week, to the following day, Friday 25 May. This ensured the immediate nomination of Rhodri Morgan as First Minister at the head of a minority Labour Government and pre-empted any change of circumstances, as occurred when the Liberal Democrats altered their position at their weekend conference.

Questioned on his action the Presiding Officer responded that he felt he had an obligation to allow an administration to be formed as soon as possible once it was clear that all the various coalition options had fallen apart.²⁹ Certainly, a meeting of Business Managers in the Assembly on the Thursday morning, following the decision of the Liberal Democrat Executive the evening before, did not contest the Presiding Officer’s decision. There was talk of the Liberal Democrats finding some way of reconvening their conference, but who could say the Executive’s vote would be reversed? Of course, a timetable for nominating the First Minister had been set for Tuesday 29 May, the day before the deadline set by the Wales Act, to allow the parties to organise ratification meetings over the weekend. However, there did not at that point seem a strong

29) Interviewed by Radio Wales’s *Good Morning Wales* programme, 25 May 2007.

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enough case for making the Assembly and its officials reconvene in a holiday week. The moment had passed.

Nevertheless, Liberal Democrats leaving their special conference in Llandrindod, together with Plaid activists following their National Council in Aberystwyth, as well as many commentators in the media, fully expected a vote of no confidence to be tabled in due course, leading to a Rainbow coalition. The only question was whether this would come before the summer recess, or around the time of the budget in the Autumn. Or would Labour, some pondered, make Plaid an offer it couldn't refuse?

CHAPTER 7

'One Wales'

Once installed Rhodri Morgan took a long six days to announce his Cabinet, and that provided an immediate clue to his future intentions. The Cabinet was reduced in size from nine to seven members, prompting speculation that it would make it easier for him to expand in the event of the need to accommodate Ministers from a coalition partner. At the same time Rhodri Morgan wrote to Ieuan Wyn Jones and Mike German offering a new collaborative approach to government. As Jane Hutt explained:

We deliberately struck a conciliatory note, with Rhodri speaking of the need to create a progressive consensus. We wrote to the Liberal Democrats acknowledging that they were looking for PR in local government, moves on affordable housing, and a new approach to hospital reconfiguration. As for Plaid we accepted that they were most interested in the referendum, the Welsh Language, and a new approach to hospital reconfiguration. We made it clear we wanted to engage. We announced a halt to the hospital reconfiguration plans. That was a big shift. We proposed a working party on affordable housing. We said we would engage with MPs at Westminster about the timing of a referendum. All this demonstrated that Labour was reaching out. But at the same time we knew that the Rainbow Coalition was still a prospect and that Plaid Cymru had time-tabled a meeting of their National Council on 7 July to debate it.

In fact the timing of Plaid's National Council had established a new deadline for the coalition negotiations. Labour also knew that if their talks with Plaid collapsed then for the Liberal Democrats the Rainbow option was their first choice. The first public intimation that Labour was preparing to open new negotiations with Plaid came on 7 June when the new Health Minister Edwina Hart declared she would be happy to sit alongside Plaid Cymru Ministers in the Cabinet:

I think we've got to recognise that this is grown-up politics we have in Wales. This settlement was never going to produce a majority every time. It's taken us a long time to get here – we'll be lucky if once in every 25 years a party gets a majority. It's about parties of similar ideas working together, and we've got to grow up.³⁰

Within a week it emerged that serious talks were underway. Immediately divisions opened up within both Labour and Plaid at the prospect of a deal. Labour Assembly members were divided, though Rhodri Morgan could count on a united Cabinet.³¹ In a meeting with Labour MPs at Westminster he was urged if at all possible to pursue a deal with the Liberal Democrats.³²

However, the Liberal Democrats were discouraging. As Jane Hutt put it: “We had a reasonably positive meeting with Ieuan Wyn Jones, but not with Mike German.” In fact at this point the critical relationship was between the main Labour and Plaid negotiators, Jane Hutt and Jocelyn Davies, as the former acknowledged:

My relationship with Jocelyn Davies was pivotal. We already knew each other well, of course, through the Business Committee in the Assembly, and we established an even closer relationship during the Stability Pact discussions. I think we developed a level of trust which is vital in these kind of talks. When you're negotiating seriously you have to do so in good faith. We were also both close to our leaders which was important.

Between them the two hammered out a one-page document in which Labour committed, this time without qualification, to a referendum on more powers at or before the 2011 Assembly election, an independent Commission on a review of the Barnett funding formula, and a new Welsh Language Act. On that basis serious coalition talks began on Monday 11 June.

30) Interviewed on BBC Wales's *Dragon's Eye* programme, 7 June 2007.

31) In the event only five members of the 26-strong Labour Group voted against the deal with Plaid.

32) Western Mail, 21 June 2007: ‘Labour MPs tell Rhodri you must do deal with Lib Dems’.

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However, many Plaid supporters failed to see the advantages of the party being a junior partner within a Labour-led coalition, compared with being the lead partner supplying the First Minister in the Rainbow alternative. Dafydd Wigley, Plaid's Honorary President set out some stiff conditions as the price of a deal with Labour, with three main demands:

- An agreement by the Treasury to provide £500 million in 'match funding' for the EU Convergence aid project for West Wales and the Valleys.
- Full implementation of the Richard Commission report, including an increase to 80 Assembly members elected by STV.
- A commitment from the new Prime Minister Gordon Brown that he would campaign for a Yes vote in a referendum on full law making powers for the Assembly.³³

However, these demands came too late for them to be incorporated in the discussions. In any event they were calculated to be rejected. The core consideration for the Plaid Group in the Assembly was whether a deal with Labour was the best way it could ensure the delivery of a successful referendum to move the devolution project on to the next step of a Scottish-style Parliament. And certainly, this was how Rhodri Morgan interpreted their choice:

If Plaid have a deal with us they may not get everything they want but they'll get a much bigger percentage than with the Rainbow Alliance. I have considerable powers of persuasion with the Labour Welsh group, the Labour Secretary of State and the Labour Prime Minister.³⁴

However, Cynog Dafis, a former Plaid MP and AM for Ceredigion, and an ardent advocate of the Rainbow option, declared this amounted to blackmail:

What Labour is saying to Plaid is, if you don't keep us in power, we will not agree to a referendum. That is blackmail. Why could Labour AMs not vote for a referendum while in opposition?

33) EU match funding was never part of the negotiations. However, Wigley argued: "Ever since 1999 we have been pressing for match funding from the Treasury, yet so far not a penny has been provided. This has meant that the Assembly Government has had no option but to raid its own core budgets for higher education, the health service and local government. There is a new Comprehensive Spending Review due from the Treasury, probably in October. That should certainly include £500 million in match funding for the Assembly." Western Mail, 22 June 2007.

34) Western Mail, 13 June 2007.

He added that any commitment by Rhodri Morgan that Labour would campaign for a Yes vote was meaningless:

Rhodri Morgan is in no position to give an undertaking that there will not be senior Labour figures who would campaign for a No vote. We have been there before. That is what happened in the late 1970s after Plaid propped up Jim Callaghan's minority Labour government in return for a commitment to hold a devolution referendum.³⁵

Nonetheless, on 27 June, following a three hour meeting, the Plaid Group voted by 10 to 5 to support the agreement negotiated with Labour, *One Wales: A progressive agenda for the government of Wales*.³⁶ Ieuan Wyn Jones explained that there were two main reasons. A deal with Labour represented the best chance of pushing through a successful referendum to extend the Assembly's powers, and it offered a better chance of stability for a government over the four-year term. It would, after all, have a majority of 22, rather than the Rainbow coalition's majority of six. A major factor was uncertainty that the Liberal Democrats would stay the course in a Rainbow coalition:

This is a new venture for us as a party. We have never been here before. Therefore, I wanted to make sure the first time the party went into government, we could be sure this would be something we could deliver over a four-year term. The worst possible thing for Plaid was to enter into an arrangement that collapsed at any point in the four years. As soon as the Liberal Democrats had their first Executive meeting which rejected the Rainbow document, and then had another one which said Yes, there was obviously a vigorous debate in the party about its future direction, and I needed to be satisfied that we could have a four year term.³⁷

He added that unlike the Stability Pact, which he said, had been a “red document with a green tinge”, the *One Wales* agreement was a synthesis of the policies of the two parties drawn evenly from their two Manifestos. As with the previous *All Wales Accord* Rainbow document what is left out of the document is

35) Western Mail, 15 June 2007.

36) The five Plaid AMs who continued to support the Rainbow Alliance were: Elin Jones (Ceredigion), Gareth Jones (Aberconwy), Dai Lloyd (South Wales West), Chris Franks (South Wales Central), and Janet Ryder (North Wales).

37) Western Mail, 28 June 2007.

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often as revealing as what is included. In this respect, for example, there is no mention of STV for local government. As Jane Hutt remarked:

There were certain things that didn't go into the document, in particular PR for local government. That would have been very difficult for our members. The result in Scotland had demonstrated that as a result of STV Labour had lost a lot of ground as the lead party in local government.

Undoubtedly, however, the most significant new dimension within the *One Wales* agreement commitment to a Convention that would lead up to a referendum on law-making powers for the Assembly. Ieuan Wyn Jones drew particular attention to this initiative:

What I've always felt is the reason we haven't had a mature debate in Wales is that in the past we haven't had a convention similar to the Scottish Convention, where the whole of civic society and all the political parties are engaged about the future of Wales. If we are going to deliver a Yes vote in a referendum, we have to engage all sections of society, and sell the idea of a proper Parliament through a Convention. I think this opens up that debate in a way that wouldn't have been possible in any other way.³⁸

In fact, the Convention was a complete innovation. It was not mentioned in any of the manifestos, in the Stability Pact, nor in the Rainbow *All Wales Accord*. Crucially, it has the effect of locking MPs at Westminster into the referendum process at an early stage. As the *One Wales* document puts it (see appendix, p.98-99):

We will set up an all-Wales Convention within six months and a group of MPs and AMs from both parties will be commissioned to set the terms of reference and membership of the Convention based on wide representation from civic society. Both parties will then take account of the success of the bedding down of the use of the new legislative powers already available and, by monitoring the state of public opinion, will need to assess the levels of support for full law-making powers necessary to trigger the referendum.

38) *Ibid.*

From Rhodri Morgan's point of view this should have the beneficial effect of diminishing a Labour backbench revolt at Westminster. In this context, it is important to note that the Convention idea came from the Labour side, in fact from the Secretary of State for Wales Peter Hain, prompted it seems by a suggestion from Edwina Hart. As such it was an important indication of the seriousness with which the party's pro-devolution wing takes the referendum commitment.

Another constitutional departure in the *One Wales* document, and again an entirely new proposal not broached by the Rainbow *All Wales Accord*, was a commitment to consider devolution of the criminal justice system. This is potentially far reaching in terms of creating a separate Welsh jurisdiction and another intriguing parallel with the Scottish example. As the document puts it:

We will consider the evidence for the devolution of the criminal justice system within the contexts of (a) devolution of funding and (b) moves towards the establishment of a single administration of justice in Wales.³⁹

An additional dimension of the document, which had in fact been already announced by the minority Labour administration, was the establishment of an independent Commission to review Assembly funding and finance, including a study of the Barnett Formula, the case for tax varying and borrowing powers, and the feasibility of corporation tax rebates in the Convergence Fund region.

Underpinning all these concessions to Plaid Cymru is the provision in the 'Governance Arrangements' section at the end of the document for the creation of two Cabinet Committees, one to oversee the operation of the coalition Government, and the other to deal with finance. The first, comprising the First and Deputy First Ministers and the Business Managers of the two parties will:

- Monitor implementation of the *One Wales* programme.
- Agree public appointments.
- Co-ordinate presentation of Government policies, in particular major Government announcements.
- Agree the representation of the Government in all dealings with the Secretary of State for Wales, other UK Government Ministers, and institutions at the UK and EU levels.

At the same time the Finance Committee, comprising the First and Deputy First Ministers, and the Finance Minister together with the Finance spokesperson of

39) *Ibid.*, page 29.

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the ‘other party’ will discuss the overall resource position and strategic spending priorities before the end of July in each year.

The agreement on these committees, which promise to become the engine room of the new government, are an indication of how integrated the new government is intended to be. It is not just a question of a few Plaid Cymru Ministers operating on the fringes of the Cabinet. There is a shared programme, a shared administration, and a shared mechanism for ensuring implementation. Certainly, the Plaid negotiators regarded this implementation process as central to the agreement.

It was noteworthy, therefore, that when the *One Wales* document was submitted to the Labour Assembly Group and the Labour Executive for approval on 26 June, it came without this ‘Governance Arrangements’ section. A Welsh Labour spokesperson explained:

The governance section of the document is a standard part of any coalition agreement and is based on the Scottish model. It was being finalised at the time of the Labour Group meeting on Tuesday morning, and at the time of the Labour Executive on Tuesday evening. Nothing sinister at all should be read into its omission. It is a very straightforward explanation of the governance procedures in the event of a coalition.⁴⁰

Nonetheless, the minority of Labour AMs opposed to the deal reacted angrily to the omission. One, Clwyd South AM Ann Jones, asked: “Was it yet another of the Nationalists’ demands before they sanctioned their blessing on the document?”⁴¹

40) Western Mail, 29 June 2007.

41) This was in an exchange of e-mails on 28 June with Labour’s Assembly Business Manager Jane Hutt, ‘leaked’ to the Western Mail and reported on 29 June 2007. The other Labour members opposed to the *One Wales* deal were Karen Sinclair (Clwyd South), Lynne Neagle (Torfaen), Huw Lewis (Merthyr), and Irene James (Islwyn).

CHAPTER 8

Plaid Cymru's Historic Compromise

There is no doubt that by the end of the negotiations Plaid's leadership had convinced itself that a coalition with Labour held out the best chance of pursuing a successful referendum on more powers for the Assembly. But decisions are always taken at a particular moment, subject to dynamics which can often seem more important at the time than when later recalled.

The Plaid Group's decision on 27 June was the second tipping point in the two months, following the Liberal Democrat Executive's cliff-hanging failure to endorse the Rainbow accord on 23 May. On the face of it the Plaid 10 to 5 outcome appears much more decisive than the Liberal Democrat 9 to 9 tied vote. In reality, however, the dynamics within the Plaid Group meant the decision was much closer than it appeared.

Ieuan Wyn Jones had a delicate balancing act to sustain one of his main objectives in the whole process: maximum unity within his Assembly Group and within the wider party outside. His task was made more difficult because perceptions changed the further people were from the action within the Assembly. At the party's first National Council held on 26 May to discuss the negotiations, there was overwhelming support and, indeed, enthusiasm for the Rainbow deal. And even when the Rainbow's prospects faded, as the coalition with Labour gained momentum, by and large grass roots activists still preferred Plaid leading a government rather than being a junior partner in a Labour-led administration.

This became evident in a series of consultation meetings Ieuan Wyn Jones held with the party around Wales at the end of June. For instance, a meeting in Neath, just two days before the decision, registered overwhelming support for the Rainbow option. Leading figures outside the Assembly, including former Ceredigion AM and MP Cynog Dafis and the Honorary President Dafydd Wigley, also made it abundantly clear in messages to the Group that they favoured Plaid leading a coalition. There were some outside voices pressing the case for the Red-Green Alliance, in particular Carmarthen East MP Adam Price. But there was no doubt that the balance of opinion in the country was for the Rainbow.

Within the Assembly Group, however, the divisions were more complicated. Ieuan Wyn Jones was faced with five of his AMs clearly for the Rainbow and six

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clearly for a deal with Labour. Those in favour of the Rainbow option, and who eventually voted for it, were: Gareth Jones (Aberconwy), Janet Ryder (North Wales), Elin Jones (Ceredigion), Dai Lloyd (South Wales West), and Chris Franks (South Wales Central).

Those for the deal with Labour were: Helen Mary Jones (Llanelli), Nerys Evans (Mid and West Wales), Bethan Jenkins (South Wales West), Leanne Wood (South Wales Central), Jocelyn Davies (South East Wales) and Lord Dafydd Elis Thomas (Dwyfor Meirionnydd). The first four were implacably opposed to any deal involving the Conservatives. As their leader Helen Mary Jones, explained:

We completely support the principle of working together, but we believe there are real issues with forming a coalition between two parties whose basic principles and values are so different. We believe that whatever was in the written agreement, however positive that is, there would be real risks in maintaining the stability of such a coalition when issues that were unplanned arose. For myself, having just won the Llanelli constituency, I know that my constituents are still living with the legacy of the Tory government from the 1980s and 1990s, particularly in the coal mining valleys like Tumble and Pontyberem. Their reaction to the prospect of our party working with the Tories has been distress.⁴²

Although Jocelyn Davies's and Lord Elis Thomas's positions ended up the same as these four, their reasons were markedly different. Lord Elis Thomas had no ideological concerns about working in a coalition with the Conservatives, rather the reverse. Instead, his priority was simply achieving a Scottish-style Parliament and early on in the negotiation process he firmly resolved that a coalition with Labour was the best way to achieve it. Jocelyn Davies's position was similar, though additionally she was strongly influenced by the negotiating process in which she had been closely engaged. As she put it:

At the end I simply believed that the Labour document was better, with clearer and more focused policy commitments which we could sign up to, and overall a better chance of delivering legislative powers for the Assembly.⁴³

42) Western Mail, 24 May 2007.

43) Interview with the author, 9 July 2007.

In-between these eleven AMs were the remaining four, among whom were two further divisions. If circumstances had allowed, Ieuan Wyn Jones would have been in favour of becoming First Minister, and he could rely on the new South East Wales AM Mohammed Asghar to follow. That left two AMs who until near the end of the negotiations were open minded about a deal: Rhodri Glyn Thomas (Carmarthen East and Dinefwr), and Alun Ffred Jones (Arfon). It was these two whose views in the end proved decisive.

Meeting on 27 June the Plaid Group was faced with a completely different situation from the day six weeks earlier when it had voted 10 to 5 to pursue the Rainbow coalition. At that time no government had been formed. But now there was a Labour government in office, and a government that was offering a full coalition deal with Cabinet posts and the chance of achieving a Parliament for Wales within four years. Moreover, a Plaid-Labour coalition, with 41 seats between them offered as near to a guarantee for stability over a four year term as it was possible to envisage. To go with the alternative would mean reviving the three-way Rainbow coalition which would have a much smaller six seat majority. There were also concerns about the pressures a Rainbow coalition would face, relatively inexperienced, with a static budget and a determined opposition able to mobilise difficulties at Westminster as well as Cardiff.

However, far more important than these considerations was the immediate implication of opting for the Rainbow coalition. This would mean tabling a motion of no confidence in Rhodri Morgan's minority Labour government, either immediately before the summer recess, or at some indeterminate time in the future. The crucial question was simply this: what would such a motion of no confidence be about? There was, in fact, no immediate reason for tabling one and they felt that to manufacture one would be disingenuous and play badly with the Welsh public. As Alun Ffred Jones explained:

Once we'd installed Rhodri Morgan as First Minister, the game had changed. I felt we couldn't play fast and loose with votes of no confidence. There would have to be a credible reason for making a challenge. I would have felt uncomfortable in manufacturing a vote of no confidence.⁴⁴

Yet, at the end the critical decision was made by Ieuan Wyn Jones himself. A key meeting came the day before the vote, between himself, Elin Jones, Rhodri Glyn Thomas and Alun Ffred Jones. There it became clear that if the following day he were to propose the Rainbow coalition, he would have won it by 8 votes to 7,

44) Interview with the author, 18 July 2007.

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with his Deputy Rhodri Glyn Thomas supporting him, against his personal preference for the Labour deal but in order to sustain the leadership. On the other hand if he were to propose the Red Green Alliance, he would win it by 10 votes to five. In the end it was the dynamics of the balance of the argument within the Plaid Group that won the day.

CHAPTER 9

Impact on the Parties

The impact of the two months of coalition negotiations following the 3 May Assembly election had a profound impact on all the parties in the Assembly. All had to come to terms with the sometimes harsh realities of coalition government, given that the element of proportionality in Assembly elections was unlikely to deliver a majority for any party. The slowest learner was Labour, but that was to be expected given its previous dominance of the Welsh political landscape.

Welsh Liberal Democrats

In many ways the Welsh Liberal Democrats came out the worst from the two months of negotiations. They started out as the favourite to enter into a coalition with Labour and ended up with no say in the government at all, and without even a consolation prize of leading the opposition.

To a large extent this outcome emanated directly from the election, which Liberal Democrats themselves acknowledged was a poor result for the party. They had anticipated winning at least one extra seat, on the list in South Wales Central, and indeed came within 100 votes of doing so. Many felt the fact that this did not materialise was down to poor organisation on the ground. They had hoped to win in Ceredigion, following their success in the 2005 Westminster election, but were decisively beaten by Plaid Cymru. As noted earlier, they did come spectacularly close to winning Newport East, formerly a safe Labour seat. Yet, if they had won there they would have lost their leader Mike German's South East Wales list seat.

As it was, the Liberal Democrats ended up where they started, with six seats and a static percentage of the overall vote, fortified by strong performances in isolated areas, in particular the Swansea West and Newport East constituencies. Their constituency vote went up from 13.5 to 14.8 per cent, but their list vote fell from 12.5 to 11.7 per cent. There was no sense of a party making ground across the country, but rather of one doing relatively well in isolated constituencies.

The immediate response was for some members to say the party needed a period of opposition to rethink, rebuild and possibly change its leadership. This was not a strong position in which to enter coalition talks. The party then

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misjudged its handling of the negotiations. First, it suspended talks with Labour in order to enter into negotiations with Plaid Cymru and the Conservatives, when it could have continued with both at the same time. Then when it was presented with the possibility of going into government with the Rainbow option, its Executive failed to reflect the views of the wider party and again walked away from the deal.

In doing so the Liberal Democrats went against a growing tide of opinion in favour of the Rainbow option in the press and media, as well as in the country more generally, if the opinion polls discussed earlier are any guide. More significantly, associated as closely as they are with proportional representation, the Liberal Democrats of all parties should have been prepared to accept its consequence which, more often than not, requires coalition politics and a staking out of the middle ground. The fact that on this occasion they demonstrated they could not led some to question the role of the Liberal Democrats in Welsh political life.

Another potential dilemma for the party may be the *One Wales* deal itself, between Plaid and Labour. If this represents a long-term realignment of the left in Welsh politics it will raise the question of whether the Liberal Democrats should position themselves to the left or right of the new formation. The danger for the Liberal Democrats in this situation could be two-fold. If they align themselves to the right they could place themselves too close to the Conservatives and be eclipsed. If they align themselves to the left they could become irrelevant to mainstream concerns.

Some Liberal Democrats would argue that such left-right considerations are no longer relevant and that other concerns, such as climate change and the strong identification of Liberal Democrats with localism, have taken precedence. Even so it will be a difficult challenge in future for the Liberal Democrats to carve out a distinctive position on the radical left of Welsh politics. Certainly, the debates around possible coalitions following the may 3 election exposed a fault-line within the Welsh Liberal Democrat Party, between radicals and centrists.

The party is currently split just off centre, somewhere between left and centre, and also split by roughly 60 to 40 per cent on the benefits of a coalition with Plaid Cymru and the Conservatives. Some have linked this to a further split between rural, mid-Wales Liberal Democrats, and those in the southern city belt. However, this appears not to be the case. The difference of views are held more or less evenly across the country. This will be of some assistance in the Liberal Democrat task of building a fresh all-Wales profile,

with perhaps a re-invigorated leadership, to face four years in opposition and the 2011 election.

Welsh Conservatives

In contrast with the Liberal Democrats, the Welsh Conservatives entered the coalition negotiations with a relatively bad hand. Yet, they turned it to good advantage and emerged better off at the end. To begin with no-one wished to talk with them. Indeed, for the first few weeks Conservative leader Nick Bourne was hardly seen in the Senedd building in Cardiff, remaining most of the time at his home in Aberystwyth.

However, once serious talks started around the prospects of a Rainbow coalition the Conservative party proved focused and disciplined. The final deal was discussed at both the Welsh and British levels of the party. It was taken to a meeting of the Shadow Cabinet in London where a discussion lasted two hours before approval was sanctioned. Then, on the same evening that the Liberal Democrat Executive scuppered the deal in Llandrindod, the Welsh Conservative Management Board, also meeting in Llandrindod, approved it unanimously.

No doubt an instinct for power combined with a strong realisation of the obvious, that only in a coalition could the Conservatives have a hope of participating in a government in Wales, conditioned this response. Nick Bourne, in particular, was rewarded with the not to be under-estimated position of Leader of the Opposition in the Assembly, a position on which he could build. It was revealing, too, that commenting on the *One Wales* coalition deal between Labour and Plaid, he underlined the continuing importance and potential of the Rainbow Alliance:

*The All-Wales Accord is not a historic document. It is, like our own party's development in Wales, a work in progress. We will continue to work on a non-Labour alternative for the governance of Wales – not simply because it is good for the Welsh Conservatives but because, more importantly, it is good for Wales.*⁴⁵

All this was a major development in Welsh politics. It was not only Plaid Cymru that crossed a Rubicon in the months following the 3 May election. The fact that the Conservatives could discover significant common ground with Plaid

45) Western Mail, 6 July 2007.

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and seriously contemplate governing with them in a coalition was a startling new development. In particular, it signalled that they were serious about their accommodation with the devolution process, with long-term implications for the future.

In short, the Welsh Conservatives have determined to project themselves as the Welsh patriotic party, with its own distinctive but positive approach to national identity. With the Welsh Conservatives Plaid Cymru now has a serious challenger in terms of identity politics. David Melding articulated the change by describing how the production of the *All Wales Accord* represented an accommodation between different approaches to national identity in Wales:

I think Plaid Cymru's approach to the All Wales Accord, especially the centrality of 'Building the Nation' was to engender in the people of Wales greater confidence in themselves so that at a later stage they would feel able to take steps towards the party's goal of independence for Wales.

Our approach was to simply say that to assume that would be the consequence was simply wrong. Our view is that by generating greater strength and pride in our Welshness we will become better placed to enjoy the advantages of being part of the British State. In this sense we believe that the devolution process is strengthening Britain. What this underlines is that two parties with strikingly different long-term objectives can nonetheless collaborate on putting together a coherent policy programme and a stable system of government.

There is an emerging consensus that we have to trust the people of Scotland and Wales. If we do that then we believe they will come to value what the British State provides over and above what they can achieve within the devolution settlement. But at the end of the day we have to accept that it will be the people who will decide.

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In all of this Plaid Cymru's achievement has been to bring devolution about in the first place – without Plaid Cymru an Assembly would never have been established – and now to be instrumental in pushing the settlement forward to make it coherent. At the same time the Conservative Party's achievement has been in coming to terms with these new concepts.

Plaid Cymru's ultimate objectives are so ultimate and so far in the future that they have, in effect, been taken out of political controversy. At the same time, in coming to terms with the national question the Conservatives have taken a logical and pragmatic view in adjusting and responding to the actual development of the Welsh nation. That doesn't require any diminution in our loyalty to the British State. Its just that circumstances have changed.

After all, we can now see that the idea that Britishness has to be conceived just within the confines of a unitary state, has been merely an historical episode, lasting from perhaps 1707 to the 1950s. And there is a great release of energy when you recognise the reality of something as profound as that.

Welsh Conservatives need to get ahead of the game a bit. We need a new sense of what it means to be British. If we remain stuck in a 1950s view of what that means then we will be in trouble. And if it turns out that we cannot re-invent a new form of Britishness to fit with the needs of 21st Century Wales, then it won't be much of a loss to see it go.

Plaid Cymru

For Plaid Cymru to 'cross the Rubicon' to participating in government was not as easy or straightforward as it might appear, for a number of reasons. Except for a handful of local authorities the party has had no experience, nor any special appetite for government. Hitherto, its role in moving the Welsh constitutional agenda forward has been confined to bringing influence and

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pressure to bear on other parties, and especially Labour. As the late Phil Williams put it, as recently as 2003:

Within the Party of Wales there is a recurring debate as to whether an essential requisite for self-government is that Plaid Cymru replaces the Labour Party as the mainstream, dominant party in Wales. Alternatively, is it possible for a single-minded and uncompromising Plaid Cymru to create the conditions whereby other parties deliver self-government, albeit step by step and with some reluctance. Progress over the past forty years, and especially the establishment of the National Assembly, point to the latter strategy.⁴⁶

Yet, following the two months of coalition negotiations it would be impossible for Plaid Cymru to think in terms of being a pressure group. Henceforth, it would only be able to imagine itself as necessarily being fully implicated, through a role (and possibly a leading role) in government, in delivering enhanced self-government.

Immediately following the May election, when it appeared that a Labour-Liberal Democrat coalition was the most likely outcome, Plaid Cymru remained reconciled to continuing in opposition. For many in the party, including perhaps half-a-dozen or more of the AMs it was the most comfortable position to be in anyway. However, by the end of the two months a large majority in the party, both inside and outside the Assembly had come to terms with its new role.

This was a major shift and breakthrough for the party. Two years earlier a small ginger Group known as *Dewis* (Choice), led by Cynog Dafis and Dafydd Wigley, had published proposals arguing that Plaid should face up to the realities of coalition politics, and in particular should contemplate forming what was then termed a 'Daybreak' coalition involving the Conservatives and the Liberal Democrats.⁴⁷ A completely new government to one involving Labour, they said, would demonstrate to the people of Wales that devolution could make a real difference. Furthermore, they argued that this was necessary precursor to taking the next constitutional step to a Scottish-style Parliament.

46) Phil Williams, *The Psychology of Distance*, IWA, 2003, page 41. A Professor of Solar Terrestrial Physics at the University of Wales, Aberystwyth, Williams was a List AM for South East Wales in the first Assembly, 1999-2003. It is interesting to note that in July 2007 Adam Price MP called this same quotation in aid of his argument that Plaid Cymru should welcome a coalition with Labour. See www.adamprice.org.uk/blog/, 6 July 2006.

47) Their document, entitled *Deffro Mae'n Dydd / Awake 'Tis Day* (after the Cardiff City Council motto), was launched in the wake of the 2005 general election.

At the time these ideas were overwhelmingly rejected by the party's National Council. However, the experience of living through the two months of negotiations changed attitudes. As Adam Price put it, explaining why the three parties in the Rainbow alliance were able to come together:

The All Wales Accord did, I believe, reflect values that are held in common among Welsh Conservatives, Plaid Cymru and the Liberal Democrats. Each of the parties comes from an anti-statist and decentralist position with a shared suspicion about top-down solutions. Plaid Cymru is certainly a party of the left but at the same time places a value on the individual which strikes a chord with both Liberal Democrats and the Conservatives. All three parties share a strong environmental strand in their thinking. And all parties can subscribe to what you might call a cultural nationalism in relation to Wales, and this is particularly striking with the Welsh Conservatives. In short, there was a shared commitment that the new government we were seeking to construct should represent a different type of politics and mark a break with monopoly Labourism. There was, in fact, a surprising amount of common ground.

Of course, the choice that Plaid Cymru ultimately made did not result in a 'break with monopoly Labourism' and consequently presents a high risk strategy. The main peril for the party is that at the end of four years nothing substantial will have seen to have changed as a result of the coalition other than sustaining Labour in power. In these circumstances the Opposition parties, and in particular the Conservatives might gain the advantage as the main receptacle for voters wishing to protest against the incumbent government. And it is undeniably the case that, following the 2007 Assembly election most of the marginal seats are for the Conservatives to win. The worst outcome for Plaid will be if it becomes the third party in the Assembly following the 2011 election.

On the other hand the opportunity is there for the coalition government to be regarded as having succeeded in creating improvements that would not have happened without Plaid Cymru's influence. The main prize for the party, of course, would be moving ahead to a Scottish-style Parliament following a successful referendum. But electorally, it may benefit as much or more as a result of being seen as a party of government rather than just one of protest.

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Labour

If the *One Wales* coalition is a high risk strategy for Plaid Cymru it is equally the case for Labour. On the eve of its ratification by the special conference called in Cardiff on the 6 July, Rhodri Morgan was characteristically candid about the political reality his party faced. Asked whether inviting Plaid into government would strengthen the nationalists he responded:

If we hadn't peeled Plaid away from the triple alliance, they would have become legitimised in government as the leaders of government.⁴⁸

Yet, involving Plaid in the government, albeit as a junior partner, is likely to have some of the same effect, with unpredictable electoral consequences. Islwyn MP Don Touhig declared that the party was walking into a trap, describing the coalition as “suicide for Labour”.⁴⁹ Torfaen AM Lynne Neagle, one of five in the Labour Group who opposed the deal, said Labour should continue as a minority government. She argued that Plaid, the Conservatives and the Liberal Democrats would find it difficult to discover an issue over which to table a motion of no confidence:

Those three parties, opposed in such a huge degree on policy and ideology would need a fundamental pivot on which to turf Labour out of power.⁵⁰

Yet, this was to ignore the real problems that Labour had already experienced in running a minority government. As Jane Hutt put it:

Surviving as a minority Labour government in the period up to 2007 with 29 seats was extremely difficult. We did manage to get most of our programme through but it proved very difficult with the budget. After May 2007, to think we could manage with 26 seats without a stability pact or coalition was naïve. We would have been constantly fire fighting to a point where we would have been unable to deliver our mandate.

Certainly, Rhodri Morgan had no appetite for struggling on with a minority administration waiting for the axe to fall. As he said:

48) Western Mail, 6 July 2007.

49) Interview with the ePolitix.com website, 5 July 2007.

50) Lynne Neagle, 'Don't dismiss debate on who runs our country', Western Mail, 4 July 2007.

You can't just take each issue as it comes, as Alex Salmond is proposing to do in Scotland, unless you're fairly sure you're not going to be voted out of office.⁵¹

However, there was more to Rhodri Morgan's position than being simply forced into the coalition deal by the threat of Labour going into Opposition. The contents of the *One Wales* document reveals a good deal about his own position and his skill in manoeuvring his party into a maximalist stance on devolution. There is no doubt that he would like to see Wales achieving a Scottish-style Parliament. However, he has constantly had to deal with the reality that any advance has to be negotiated through a sceptical Westminster.

His response to the Richard Commission report, published in April 2004, was a case in point. Initially he welcomed the findings but soon had to backtrack in face of implacable opposition from Westminster.⁵² The Scottish precedent meant that full legislative powers to the Assembly would result in a reduction of the number of Welsh MPs. The Richard Commission's proposal to increase the number of AMs from 60 to 80 implied the same. Meanwhile, proportional representation, and especially the Single Transferable Vote system, another Richard Commission recommendation, remains anathema to the Labour Party.

In these circumstances Rhodri Morgan and Peter Hain exhibited some deft footwork in producing the compromise put forward in the 2006 Wales Act. This created the architecture of a Welsh Parliament by splitting the Assembly Government from the Assembly legislature, and devised the Orders in Council procedure to extend the Assembly's legislative capacity. Not only that, the Act provided the mechanism for moving to full legislative powers by allowing a referendum to be triggered on a two-thirds vote by Assembly members.

At the centre of the *One Wales* coalition agreement is the commitment to do just that "at or before the end of the Assembly term", so long as there is a reasonable chance it can be successful. More significantly, Rhodri Morgan's engagement with this agenda can be measured by the proposal, which as remarked earlier came from the Labour side, to establish a Convention to create the momentum for a successful referendum. As Jane Hutt said:

The Convention is a very good example of what can emerge from the dynamics of political negotiations over a short period. It reflects the reality that we need a route map to take us from here towards securing a positive result in a referendum. It was an indication

51) Speaking on Radio Wales, 5 July 2007.

52) For a full account of the Richard Commission and its aftermath see John Osmond (Ed.), *Welsh Politics Come of Age: Responses to the Richard Commission*, IWA, 2005.

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of our desire to make the commitment work in practical terms rather than setting it out as part of a wish list. There is no point our going into a referendum unless we know we're going to win it. The Convention idea is a clear indication that One Wales is a serious document.

At a stroke Rhodri Morgan placed Welsh Labour once more at the head of the devolution process, rather than trailing in its wake. It was an audacious move, especially when Morgan must have known it would inevitably be accompanied by a public demonstration of division within his party's ranks. Yet, like Plaid Cymru Rhodri Morgan was faced with an historic choice. At some point the advocates of full legislative powers were going to have to face down Westminster opposition, using a referendum as the main weapon. Who was going to lead this enterprise? Would it be a coalition led by Plaid Cymru or by Welsh Labour?

Labour fought a lacklustre election campaign, in part because it had lost control of the narrative of Welsh devolution. Its Manifesto made no mention of taking forward the devolution process apart from a passing reference to making "use of the new powers the Assembly will have from May 2007 onwards". With the *One Wales* agreement Welsh Labour put itself back in charge.

CHAPTER 10

Breaking the Mould

Until 3 May 2007 it seemed that, given proportional representation and the political geography of Wales, the most likely administration resulting from the Assembly election remained one of two options:

- A minority Labour Government.
- A Labour-led coalition with the Liberal Democrats as the junior partner.

Both had already been tried. There had been differences in tone between them but essentially they had been the same. Suddenly, however, following the 3 May election result strikingly different possibilities were opened up. Both the Rainbow Coalition and the Red-Green Alliance represented significant change. Arguably, the former was the more radical of the two, certainly in the sense of creating a completely new government. Yet the latter was also a remarkable development in Welsh politics. And, undeniably, Labour would never have offered a coalition deal to Plaid Cymru if the possibility of a Rainbow coalition had not threatened the party with going into Opposition, possibly for a generation.

During May and June 2007 the mould of Welsh politics was broken. And it was the Rainbow *All Wales Accord* that broke it. At the start of the negotiations the prospect of an alternative government to one run or dominated by Labour was not foreseen as a practical outcome by any of the parties, least of all by Labour itself. The demonstration that there was this alternative, and that if Labour attempted to continue to govern as a minority administration sooner or later it would come to pass, was arguably the most important result of the negotiations. A democracy is hardly meaningful unless there is at least the possibility of an alternative government. After all, what is the point of voting if the outcome is pre-determined?

The election result presented both Plaid Cymru and Welsh Labour with opportunities. Plaid Cymru seized theirs by demonstrating a willingness to talk with all parties. And by dint of negotiating two separate agreements with different partners within the space of three weeks it brought all sides on board for a further constitutional advance. For its part Labour grasped the opportunity to take the lead in that advance, and also ensured that it remained the largest partner in government. Labour also produced what may come to be seen as the

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most innovative commitment to emerge from the negotiations, an all-Wales Convention to drive the constitutional argument forward. Almost as soon as the *One Wales* agreement was signed all sides spoke of the need to ensure that a referendum on more powers for the Assembly could be won before a decision was made to hold one. A notable example was Peter Hain, the Secretary of State for Wales, who declared that in his view a referendum was unlikely to be held before 2011:

I don't think you can guarantee in advance when we will hold a referendum. There is a process to try to achieve that objective. That's what the One Wales agreement is and it has been entered into in good faith. I am rather doubtful whether it can be achieved.⁵³

Yet, the importance of the Convention is that it will be an instrument in making the case for change. In the process, it seems inevitable that it will return to the full Richard Commission agenda, including the case for an increase in the Assembly's membership to 80 and for them all to be elected by the proportional STV voting system.

It was noteworthy, therefore, that within a week of the *One Wales* agreement being signed AMs from all parties were already making the case for 80 members. One reason was the dominating position of the new governing coalition. Its 41 AMs not only left just 19 as the Opposition, but their two-thirds majority meant they could override the standing orders which determine how the Assembly conducts its business. As Labour's new Mid and West Wales AM Alun Davies said, pointing out that with just 60 AMs the Assembly has fewer members than the average county council:

This is not an issue of party politics. It is an issue of governance. It's absolutely crucial. We need to find a way of addressing this issue.⁵⁴

The way of doing so will be through the Convention which will also be a test-bed for the durability of the Red-Green Alliance. If agreement between Labour and Plaid Cymru on Wales's next constitutional advance is sustained in the Convention then so, in all likelihood, will the Alliance, probably beyond the 2011 election.

53) Western Mail, 13 July 2007.

54) Western Mail, 14 July 2007.

APPENDICES

1) Labour Minority Government Stability Agreement with Plaid Cymru

Document prepared for presentation to Plaid Cymru on 22nd May, on a no prejudice basis, setting out the suggested terms for a Stability Agreement between the two Parties and covering both policy matters and institutional arrangements.

Plaid Cymru agrees to provide stability to a minority administration in the interests of good governance for the people of Wales by co-operating on agreed policy and budget initiatives and not supporting motions of no confidence or supply for the term of this Assembly.

The relationship between Plaid Cymru and the Government will be based on good faith and no surprises.

The Government will consult with Plaid Cymru on issues including:

- The broad outline of the legislative programme.
- Key legislative measures.
- Major policy issues and announcements.
- Broad budget parameters.

Consultation on all the above issues will occur in a timely fashion to ensure Plaid Cymru views can be incorporated into final decision-making.

Formal consultation will be managed between the First Minister's Office and the Office of the Leader of Plaid Cymru.

Other aspects of co-operation will include:

- Access to relevant Ministers by designated Plaid Cymru spokespeople.
- Regular meetings between the First Minister and the Plaid Cymru Leader.
- Advance notice to the other party of significant announcements by either the Government or Plaid Cymru.
- Briefings by the Government on significant issues before any public announcement.
- Timely input into budget processes, providing the opportunity to include Plaid Cymru budget initiatives in each of the four years [protocol, milestones and timing to be set out in this document].

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- Timely input into Comprehensive Spending Review discussions.
- Timely input into the allocation of any departmental under spend or funding allocated in addition to the block grant by the Treasury.
- Any changes to the Assembly's reserves.
- The nomination of a Counsel General will be agreed between the two Party Leaders.

Anything not subject to this agreement will be dealt with on a case-by-case basis.

The government will ensure that Plaid Cymru is briefed on a three monthly basis on the forward programme for policy development in education, health economic development, environment, energy, transport, conservation and social justice issues, in order that specific areas for joint work can be agreed upon.

There are five pillars to the co-operation agreement:

- Measures to strengthen Wales by progressing constitutional development, the achievement of a bilingual society, a vibrant national culture and a united country.
- Measures to encourage an enterprising and innovative economy.
- Concerted action on climate change, energy efficiency and sustainability.
- A forward-looking programme of investment in healthcare and well-being.
- Major commitments on social justice, including childcare, affordable housing, council tax and student debt.

The government and Plaid Cymru have agreed that involvement in the programme of policy development will occur at two different levels:

Level One – Priorities: firm policy, legislative or budgetary commitments which will be delivered during the Assembly term; and for which a designated Plaid Cymru spokesperson will be fully involved in the detailed development and implementation of policy proposals.

Level Two – Additional Actions: agreements in principle to deliver during the Assembly term subject to further detailed discussion. Decisions on additional actions (including others not specified) will be by agreement between the First Minister and the Leader of Plaid Cymru.

Pillar One: Building a Stronger Wales

Priorities

- Commitment to holding referendum on law-making powers by 2011 unless there is an agreement to defer.
- Independent Commission on Funding and Finance to include the Barnett Formula, tax-varying powers including corporation tax, and borrowing powers.
- A new Welsh Language Act to ensure official status, linguistic rights in the provision of services and the establishment of the post of Language Commissioner.
- A National Welsh Medium Education Strategy and implementation programme.
- Relocation of Assembly divisions to North, West and the Valleys.

Additional Actions

- Establishment of an English language National Theatre.
- Establishment of a National Gallery.
- Extra support for sports bodies wishing to develop Welsh national teams.
- Improvement of north-south transport links.
- Support for further devolution of energy and planning law, mental health powers, youth justice powers and transport.

Pillar Two: Land of Enterprise

Priorities

- Enhancing and extending the business rate relief scheme; or More effective forms of support for businesses, including business rate relief.
- Establishment of a national science academy.
- Piloting of one laptop per child.

Additional Actions

- Making education and accredited training compulsory until eighteen. Or Providing a government-guaranteed right to education and training until the age of eighteen.
- Promotion of a broader-based baccalaureate.
- A labour market strategy with a target employment rate of 80%.

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Pillar Three: Living Sustainably

Priorities

- Annual targets on emissions reductions. Or Government is committed to reducing carbon emissions, with a framework for annual sectoral targets on emissions reductions.
- Energy efficiency grants and a National Energy Savings Plan.
- Submit a Rural Development Plan for 2007 – 2013 to the European Union, based on the level of Tir Mynydd funding agreed by the Assembly in March 2007 and develop a replacement scheme post 2010, including a new farm entrants scheme, taking into account the impact on other elements within Axis Two.

Additional Actions

- A major initiative on local food procurement.
- Review of TAN 8.

Pillar Four: Health and Well-being

Priorities

- Specific commitments on NHS reconfiguration [for detailed discussion at Party Leader level].
- Patient Rights Charter.
- A minimum provision of one school nurse per secondary school.
- Pilot investment in new multi-purpose well-being centres.
- Pooling of budgets of health and social services.

Additional Actions

- Explore making occupational health schemes a statutory requirement.
- Increased funding for palliative care.
- Creation of a National Institute of Health Research.
- Piloting of free nutritious school meals.
- More resources for physical education in schools and promotion of the retention of school playing fields.
- More resources for mental health, including child and adolescent mental health services.

Pillar Five: Social Justice

Priorities

- A commitment to progressing provision of universal affordable childcare, with additional budget support during the Assembly term, including extended free, full-time, high quality childcare for 2-3 year olds.
- First time buyer grants. Or Further action on affordable housing, including legislation to suspend the Right to Buy in areas of housing pressure, and including new grant element in the Homebuy scheme.
- Extra assistance with student debt [maintaining existing fee levels in Wales up to and including 2009/10, underpinned by a commitment to maintain current level of resource throughout the Assembly term].
- Extra help for pensioners with council tax.

Additional Actions

- Review planning law in relation to second homes.
- Greater flexibility in the planning system to increase the availability of affordable land.
- All sizeable new housing developments to include a percentage of social housing reflecting local need.
- The maintenance and development of the Post Office Development Fund.

Assembly Business Management

Plaid will be consulted on the outline of the Labour legislative programme on a regular basis, and support for procedural motions will be negotiated. Plaid will not oppose progress in the legislative programme, on the floor of the Assembly or in committee, where they have been consulted and they have worked with the government on legislation and agreed to support the legislation.

Plaid Cymru and the government will consult on the make-up and operation of committees and the distribution of other Assembly positions with a view to reaching an agreed position.

Confidentiality

It is agreed that where briefings are provided to Plaid Cymru or where Plaid Cymru are involved in a consultative arrangement with regard to legislation or policy, all such discussions shall be confidential unless otherwise agreed.

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Relationship to Other Agreements

The government agrees that it will not enter into any other relationship agreement which is inconsistent with this agreement. Plaid Cymru and the government agree that they will each act in good faith to allow any such agreements to be complied with.

Appendix 1

Priority Issues

Where an issue has been placed in the Priority category the following arrangements will be put in place, in addition to those set out in Appendix 2.

- The Minister will set out in writing the scope of the agreed area of involvement and the arrangements for interaction with officials.
- The agreed Plaid Cymru representative will have direct access to officials and will be able to request reports from officials.
- Budget documentation will specify the funding which is associated with the identified area.
- Any cabinet committee papers arising from work in the area will be presented by the responsible Minister.
- If such a paper is on a committee agenda the Plaid Cymru spokesperson will be invited to the committee to take part in the discussion relating to the paper. The Minutes relating to that agenda item will be agreed with the Plaid Cymru spokesperson.
- The responsible Minister will keep the Plaid Cymru representative briefed on other aspects of the portfolio which may impinge on the designated area.

The government will publicly acknowledge the area as being one of specific Plaid Cymru influence.

Appendix 2

Where Plaid Cymru and government have agreed to work together on Additional Action policy areas it is expected that the parties will work in good faith towards an agreed outcome that advances the policies of both parties, including negotiating any resources required to implement agreed policies.

To this end there will be:

- Full participation by Plaid Cymru in the policy development process and development of legislation with the aim of developing jointly agreed positions.

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- Access to relevant Cabinet Ministers and, through the Minister to officials where appropriate, for designated Plaid Cymru AMs.
- Access to relevant papers.
- Public acknowledgement of Plaid Cymru's contribution through measures such as: press releases; speeches; or supporting agreed Plaid Cymru amendments to legislation.
- Agreement on the timetable for policy development and passage of legislation through the Assembly.
- Advance notification of any significant announcements by either party.
- Support from Plaid Cymru for motions on the floor of the Assembly or committees on any legislation coming out of this process.
- Full confidentiality, in line with the provisions in the agreement.

Where a policy has been developed within the guidelines set out above, and both parties have agreed on the outcome, both parties will publicly support the process and the outcome.

Appendix 3

Further details of Plaid Cymru proposed budget and policy initiatives. These summaries set out the Plaid Cymru initial outline for the development of some of the agreed budget and policy initiatives.

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Appendix 4

A Framework for Partnership in Developing a Budget

Date	Government Procedure	Partnership Engagement
June	Finance Minister receives analysis of the Public Expenditure Context	Finance Minister with Officials briefs Finance Spokesperson of Plaid Cymru.
June	Finance Minister receives analysis of the cost pressures of existing programmes	Finance Minister with Officials briefs Finance Spokesperson of Plaid Cymru.
June	Finance Minister receives analysis of existing programmes and options for reprioritisation	Finance Minister with Officials briefs Finance Spokesperson of Plaid Cymru.
July	Finance Minister receives bids from Cabinet Ministers for the funding of Government Programme.	Finance Minister with Officials briefs Finance Spokesperson of Plaid Cymru and invites bids from the Plaid Cymru recognising that all bids are appraised against the resources available.
July	Finance Minister allocates draft spending totals to each ministerial portfolios (MEG allocations)	Finance Minister with Officials briefs Finance Spokesperson of Plaid Cymru.
August	Each Spending Minister begins to prepare allocations to programmes within their spending totals	Spending Ministers meet with Plaid Cymru Subject Spokespersons and discuss priorities within the ministerial portfolio.
September	Finance Minister prepares for Cabinet a draft budget with allocations to programmes (BEL allocations). Cabinet agrees budget for publication	After Cabinet, Finance Minister with Officials briefs Finance Spokesperson of Plaid Cymru.
September/ October	Treasury Spending Review confirms the Welsh Block	Finance Minister with Officials briefs Finance Spokesperson of Plaid Cymru.
October 2007	Draft Budget is published	Government includes in draft budget matters agreed with Plaid Cymru.
November 2007	Scrutiny of Draft Budget by Finance and Subject Committees.	
December 2007	Finance Minister prepares Final Budget for Cabinet Consideration	Government includes in final budget matters agreed with Plaid Cymru.

Appendix 5

Legislative Competence Orders

1) Environmental Protection And Waste Management

Background

Significant executive and secondary legislative competence already exists in the area of Environmental Protection and most of these can be found in the Environmental Protection Act 1990, the Environment Act 1995, the Local Government Acts of 1988 and 1999 and through European law. Welsh Ministers also have functions under the Control of Pollution Acts, the Anti-Social Behaviour Act 2003 and the Clean Neighbourhoods and Environment Act 2005.

Policy Objective

Proposals for legislation arise from the long-standing public concern in Wales about litter and other local environment issues, linked to which are concerns about sustainable waste management. Local environmental quality is seen as central to people's quality of life and important as a means of engaging people on other environmental issues. Issues such as litter, graffiti, abandoned cars, fly-tipping, noise, dog fouling and derelict or poorly-maintained communal areas.

Delivering high quality living environments for everyone in Wales is a priority and new powers in this field will enable the Welsh Ministers to bring forward coherent proposals for legislation which are based on Welsh priorities and timescales and will move us closer to the aim of sustainable communities. Enhanced legislative competence will help to improve any shortcomings in the existing mechanisms that local authorities and other agencies use to address issues of poor local environmental quality and unsustainable waste management.

Outline of the Order

We would look to amend Part 1 of Schedule 5 to the Government of Wales Act 2006 ("the 2006 Act") so as to add certain 'matters' outlined below under field 6 (environment). Subsection (1)(a) of the 2006 Act permits Her Majesty by Order in Council to amend Part 1 of Schedule 5 to add a matter which relates to one or more of the fields listed in that Part. The inclusion of such matters would enable Labour in the Assembly to bring forward 'Assembly Measures' under Part 3 of the 2006 Act relating, among other things, to:

- Litter / Recycling at Events.
- Litter from Smoking.

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- Statutory Recycling / Composting Targets.
- Graffiti.
- Fast Food Litter.
- Abandoned Shopping Trolleys.
- Dog Nuisance Issues.
- Bottles, Cans, Plastic Bags and other Packaging.
- Prohibit the disposal of Hazardous Waste in Household Waste.
- Restrict Landfill of Wastes.
- Producer Responsibility for Direct Mail.

2) Child Poverty And Vulnerable Children

Background

The main piece of legislation which deals with the subject area is the Children Act 1989 which has been amended with increasing frequency. Other significant provisions bearing on the welfare of vulnerable children are spread between the acts such as the Education Act 2002, the Adoption and Children Act 2002, Community Care Acts as well as the Children Act 2004.

Policy Objective

Primarily the objective of gaining competence in the matter of vulnerable children would be for the Assembly to provide a Measure which consolidates and clarifies a currently complex area of law. Consolidation would assist more effective implementation by the wide range of delivery organisations.

In addition the Assembly would be able to provide a Measure which gave effect to the objective in our manifesto that all public bodies will have a duty to make and to demonstrate their contribution to tackling child poverty.

Outline of the Order

We would look to amend Part 1 of Schedule 5 to the Government of Wales Act 2006 so as to add a “matter” under field 15 (social welfare) concerning Part 111 of the Children Act 1989 Act, Part 1 of the Adoption and Children Act 2002, the Carers (Recognition and Services) Act 1995, Carers and Disabled Children Act 2000, sections 2 and 3 of the Chronically Sick and Disabled Persons Act 1970, section 47 of the National Health Service and Community Care Act 1990, subsections (2)(j) and (k) of Section 14 of the Education Act 2002, section 89 Children Act 1989, Part 111 of the Children Act 2004, section 87 (d) of the School Standards and Framework Act 1998, Part 11 of the Childcare Act 2006, the Children’s Commissioner for Wales Act 2006 by way of Order in Council under section 95 of the 2006 Act. Subsection (1)(a) of the 2006 Act permits Her Majesty by Order in Council to amend Part 1 of

Schedule 5 to add a matter which relates to one or more of the fields listed in that Part. The inclusion of such a matter would enable the Labour in the Assembly to bring forward “Assembly Measures” relating to vulnerable children and child poverty.

3) Fairer Charging For Home Care And Other Non-Residential Social Services

Background

Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 gives local authorities a discretionary power to recover charges they consider reasonable from adult recipients of home care and other non-residential social services – day care, domestic help, personal home care, transport, equipment and housing adaptations. Section 17 (3) provides that an authority shall not require users to pay more for services than it appears to them it is reasonably practical for users to do so. This has resulted in significant variations in charging for comparable services.

Since November 2004 local authorities have also been under an obligation to offer direct payments to those they assess as requiring community care services as defined in section 46 of the National Health Services and Community Care Act 1990. Local authorities may make a gross payment and then seek to recover any contribution they assess a service user as being eligible to pay or deduct that contribution before making the direct payment.

Policy Objective

Proposals for legislation arise from surveys and research that show service users, carers and their representatives are concerned that charges at the level of charges and the way in which differing amounts can be charged by different councils for similar services. Legislative competence over this area will enable the Welsh Ministers to propose a more uniform approach to charging for home care and other non-residential social services across all local authorities in Wales. Discretion would remain with local authorities as to whether to charge but it would ensure that where a local authority decides to charge that they do so in accordance with the requirements of an Assembly Measure.

Fairer Charging guidance issued in 2002 sets out good practice which local authorities are encouraged to follow, however it currently has no statutory force except in a few discrete areas.

Outline of the Order

We would look to amend Part 1 of Schedule 5 to the Government of Wales Act 2006 (“the 2006 Act”) so as to add a certain ‘matter’ outlined below under field

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10 (health and health services) / 12 (local government) / 15 (social welfare). Subsection(1)(a) of the 2006 Act permits Her Majesty by Order in Council to amend Part 1 of Schedule 5 to add a matter which relates to one or more of the fields listed in that Part. The inclusion of this matter would enable Labour in the Assembly to bring forward an 'Assembly Measure' under Part 3 of the 2006 Act which could:

- Provide a more uniform pattern of charging for domiciliary care services through Wales.
- Prescribe the principles of any charging regime, e.g. exemptions for people whose income comprises solely benefits; or for categories or classes of users.
- Specify whether or to what extent items of income, savings, benefits or capital assets are, or are not, taken into account in charging assessments.
- Prescribe services or circumstances which may be exempt from charging.
- Require greater transparency in the process, e.g. requiring local authorities to publish information on the costs of providing services, charging income and the cost of collecting it.

4) To Maintain The Supply Of Affordable Housing In Areas Of Housing Pressure

Background

The Right to Buy was first introduced by the Housing Act 1980, although the main provisions are now contained in the 1985 Act. It is a policy that enables secure tenants of certain landlords to buy their home at a discount. The provisions relating to the RTB are contained in Part V (sections 118-188) of the 1985 Act, as amended, most recently by the Housing Act 2004. The RTB provisions apply to Local Authority secure tenants and to pre-1989 secure tenants of non-charitable Registered Social Landlords. The rate of discount increases with the length of tenancy. However the amount of discount is now subject to a maximum limit of £16,000 in Wales (see the Housing (Right to Buy) (Limits of Discount) (Amendment) (Wales) Order 2003 (S.I. 2003/803). Since 1980 over 130,000 dwellings have been purchased under Right to Buy schemes in Wales.

Policy Objective

The Right to Buy has reduced the number of homes becoming available for re-letting in Wales. In areas where the need for affordable housing (as set out in TAN2 and in the Local Housing Market Assessment Guide) exceeds the amount of available housing accommodation, the objective is that the Right to Buy can be suspended.

The legislative change will enable the Welsh Ministers, on application from unitary authorities, to designate areas of housing pressure where the RTB, RTA

and PRTB shall be suspended, thus preserving homes in the social rented sector for the period set out in the designation. It is intended that authorities can apply to the Minister to suspend the Right to Buy for a period of up to 5 years. It is proposed they could subsequently apply to extend the period of suspension for further periods of up to 5 years. It can be done for a whole local authority area or only a part of it.

Outline of the Order

We would look to amend Part 1 of Schedule 5 to the Government of Wales Act 2006 (“the 2006 Act”) so as to add a “matter” under field 11 (housing) concerning Part V of the Housing Act 1985 (“the 1985 Act”) and the Housing Act 1996 (“the 1996 Act”) by way of Order in Council under section 95 of the 2006 Act. Subsection (1)(a) of the 2006 Act permits Her Majesty by Order in Council to amend Part 1 of Schedule 5 to add a matter which relates to one or more of the fields listed in that Part. The inclusion of such a matter would enable Labour in the Assembly to bring forward an “Assembly Measure” under Part 3 of the 2006 Act relating to suspension of the Right to Buy (“RTB”) and Right to Acquire (“RTA”). It is proposed that, upon an application by a local housing authority (“LHA”), Welsh Ministers will have the enabling power to designate any part of a local housing authority’s area as an area of housing pressure (a “pressured area”), suspending the RTB, RTA and the Preserved Right to Buy (“PRTB”). The broad effect of a designation would be to suspend the RTB, etc. for those tenants living in the area for a period of up to 5 years.

5) Additional Learning Needs (Special Educational Needs)

Background

The principal legislation dealing with Special Educational Needs (SEN) is contained in Part IV of the Education Act 1996 and Part II of the Learning and Skills Act 2000.

The key provision currently made by Part IV is as follows:

- Empowers the Assembly to issue a Code of Practice for Governing Bodies of schools and for local education authorities (LEA). These persons must “have regard” to the Code.
- Places general duties upon LEAs to keep under review their provision of SEN.
- Places general duties upon LEAs to take steps to identify children with SEN.
- It establishes a legal presumption that children with SEN will be educated in mainstream schools.
- Sets out the duties of schools towards children with SEN and their parents.

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- Provides for a mechanism for the making of statements of SEN.
- Provides for rights of appeal for parents to the SEN Tribunal for Wales.

The Audit Commission in 2002 proposed a fundamental restructuring of the Statementing system so that the needs of the child became the primary focus rather than the statementing process. Estyn's Report of 2004 entitled "Best Practice in the Development of Statements of Special Educational Needs" reaches similar conclusions, as did the report of the Education, Lifelong Learning and Skills Committee.

Another area for consideration is the role children and young people play in ensuring that their rights are respected and their views and wishes taken into consideration. The Special Educational Needs Tribunal for Wales (SENTW) is an independent tribunal set up in 2003. It hears appeals against decisions made by Local Education Authorities about children who have SEN and who live in Wales. At present the Education Act 1996 as amended provides that parents and, in some cases, people acting as parents can appeal. The Children's Commissioner, however, proposes that the right of appeal should be extended to children, thus allowing them an option to make appeals in their own, rather than their parents', names.

Policy Objective

With the necessary legal competence, we would prepare an Assembly Measure which would, for instance:

- Require local authorities to act in accordance to the Assembly Government's Code of Conduct rather than just have regard to the Code;
- Change the Statementing Process;
- Provide for Children, in addition to parents, to have a right of appeal;
- Provide for a process of informal resolution which could precede the formal process of appeal;
- Require local authorities to provide an advocacy service for children with special educational needs.

Outline of the Order

We would look to amend Part 1 of Schedule 5 to the Government of Wales Act 2006 ("the 2006 Act") so as to add a "matter" under field 5 (education and training) concerning Part IV of the Education Act 1996 ("the 1996 Act") and Part 11 of the Learning and Skills Act 2000 ("the 2000 Act") by way of Order in Council under section 95 of the 2006 Act. Subsection (1)(a) of the 2006 Act permits Her Majesty by Order in Council to amend Part 1 of Schedule 5 to add a matter which relates to one or more of the fields listed in that Part. The

inclusion of such a matter would enable Labour in the Assembly to bring forward an “Assembly Measure” relating to Special Educational Needs.

6) Dyfarnydd

Background

The Welsh Language Act 1983 established the Welsh Language Board whose functions are, in summary, to:

- Advise the Assembly on matters concerning the Welsh language.
- Advise persons exercising functions of a public nature on the principle that the English and Welsh languages should be treated on a basis of equality.
- Advise other persons providing services to the public on the use of the Welsh language in their dealings with the public.
- Provide grants and loans and to develop programmes of activities to implement the Welsh Assembly Government’s strategic policy for creating a bilingual Wales.
- Issue guidelines as to the form and content of Welsh Language Schemes.
- Require public bodies to prepare Welsh Language Schemes.
- Investigate breaches of Welsh Language Schemes by public bodies.

The Assembly’s functions under the 1993 Act so far as they relate to the Welsh Language Board are to:

- Issue general or specific directions to the Welsh Language Board.
- Specifying bodies which constitute public bodies who can be required to prepare a Welsh Language Scheme.
- Impose deadlines for the submission of Welsh Language Schemes by public bodies and issue directions for those who fail to agree to the terms of such a scheme.

Policy Objective

The Welsh Assembly Government has already indicated its intention to exercise the powers of the Welsh Ministers under section 28 of the Government of Wales Act 1998 (as amended by section 160 of, and paragraph 42 of Schedule 10 to the Government of Wales Act 2006) to merge the Welsh Language Board with the Welsh Assembly Government on 1 April 2009.

The intention is to gain legislative competence to provide a Measure which would establish an office, entitled the office of “y Dyfarnydd” to undertake the adjudication functions of the Welsh Language Board and to provide comments on the development by the Welsh Ministers and by servants or agents of crown of their Welsh Language Schemes. The Dyfarnydd would also be responsible for

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offering initial advice and dealing with complaints by members of the public. The Dyfarnydd will also be able to provide advice to the Welsh Ministers when that view is sought and to bring views to Welsh Ministers based upon expert knowledge.

Outline of the Order

We would look to amend Part 1 of Schedule 5 to the Government of Wales Act 2006 (“the 2006 Act”) so as to add a certain ‘matter’ outlined below under field 20 (Welsh language). Subsection (1)(a) of the 2006 Act permits Her Majesty by Order in Council to amend Part 1 of Schedule 5 to add a matter which relates to one or more of the fields listed in that Part. The inclusion of this matter would enable Labour in the Assembly to bring forward an ‘Assembly Measure’ under Part 3 of the 2006 Act relating to the Dyfarnydd.

7) Education Transport

Legislative Competence

The Education and Inspections Act 2006 received Royal Assent on 8th November 2006. The Act includes a framework power for Wales that gives the National Assembly for Wales an Assembly Measure-making power covering the travel of persons receiving primary, secondary or further education and training. The power contained in the Education and Inspections Act and transferred to the National Assembly for Wales inserts in Field 5 (education and training) a Matter enabling the National Assembly for Wales to legislate in relation to the provision for and in connection with the travel of persons receiving primary, secondary or further education or training to and from the schools or other places where they receive it. There are limitations to this power relating to reserved transport matters.

Our legislative competence will allow us to propose Assembly Measures that address all aspects of current education law for home-school transport and post-16 travel schemes.

Background

Travel from home to education facilities, including schools and FE colleges are something that has attracted much attention over recent years. Labour made a commitment in its 2003 manifesto to develop a scheme for half-price bus travel for 16 to 18 year olds, on top of the free school bus transport that already exists across local authorities. There are trials for half fare bus travel to 16 – 19 year olds currently being undertaken in different parts of Wales.

In our manifesto for the next Assembly term we make a continued commitment to integrated transport across Wales to provide a better service for passengers and to ensure a more sustainable and green public transport network. This extends to our expansion of the Safe Routes to School scheme, joining up walking and cycling routes with other forms of transport. We have also promised to prioritise legislation on school transport in a third term and we plan to use this opportunity to encourage local authorities to plan and manage travel services for children and young people travelling to education facilities in an efficient and effective manner that coheres with wider transport matters and is integrated with the plans of regional transport consortia prepared in response to the Wales Transport Strategy.

Matters such as seatbelts on buses, vehicle standards and licensing remain non-devolved and responsibility for them rests with the Department for Transport.

Legislative Content

We propose to consult on a Measure that would provide:

- A duty for local authorities to plan and manage a coherent travel service for learners across the authority, including provision for cycling and walking routes.
- A duty for local authorities to promote education travel by means other than private car.
- Clarification of local authorities responsibility for the safety and well being of learners travelling on transport contracted by the authority.
- A duty to devise and publish codes of conduct for behaviour and sanctions for misbehaviour.
- A duty for local authorities to make available information about travel entitlement and services provided for all age groups.
- A provision to take into account the desire of parents / guardians for Welsh medium education when making travel plans and arrangements.
- A duty for a school / FE institution governing body to assign responsibility for overseeing travel arrangements to a senior member of staff.
- A duty for a school / FE institution governing body to care for pupils when arriving at or leaving the premises.
- A power for the Welsh Ministers to issue guidance to enable the Government to make clear its expectations on authorities on good practice of non-devolved matters such as the use of seat belts, CRB checks of drivers and escorts, and vehicle and driver licensing standards.
- A regulation-making power to define the entitlement of learners to transport which is currently determined by age and the distance of the available route from a child or young person's home to their school or place of learning. There is currently no entitlement to free transport for learners outside statutory age education.

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8) 14-19 Learning Pathways

Legislative Competence

The Assembly is able to make a Measure without a Legislative Competence Order where there is a framework provision in an Act of Parliament. The Education and Inspections Act 2006 received Royal Assent on 8th November 2006. The Act includes a framework power for Wales (178 (1) (d, g and h)) to enable WAG to legislate under the entitlement to primary, secondary and further education and to training, in support of 14-19 Learning Pathways.

Background

The Assembly Government has had a well established policy objective of creating diversified learning pathways for 14 to 19 year olds which will allow individual students the opportunity to gain an education that suits their particular needs.

It is recognised that this extended diversity in learning opportunities will require systematic collaboration between different schools and colleges.

Labour's manifesto adds to the commitment for extending learning opportunities by committing the next Labour Government to provide new courses that relate directly to employment for young people aged over 14, within the framework of the Welsh Bacallaureate.

The policy objective has widespread support and the preparations for implementation are taking place on a voluntary basis throughout the education system. Nevertheless there is a shared recognition that implementation will benefit from a legislative framework.

Legislative Content

We propose to consult on a Measure that would provide:

- A duty to collaborate on schools and FEIs to secure a collaborative option menu offering a wide range of choice and opportunities to learners in all parts of Wales.
- An entitlement for learners to a range of options from the collaborative option menu including options outside their lead learning setting.
- An entitlement to access a wide range of experiences from the Learning Core.
- An entitlement to a personal support in learning and making career choices.
- A power for the Welsh Ministers to issue statutory guidance.
- A power for Welsh Ministers to direct.

Assembly Measure

NHS Redress

Legislative Competence

The NHS Redress Act received Royal Assent on 8th November 2006. Following that Act the National Assembly for Wales (Legislative Competence) (Conversion of Framework Powers) Order 2007 inserts in Field 9 (health and health services) provision for the provision of redress in connection with the provision of services as part of the health service in Wales, in respect of or consequent upon personal injury or loss arising out of or in connection with breach of a duty of care owed to any person in connection with the diagnosis of illness, or the care or treatment of any patient.

Background

The current NHS systems of complaints, claims and serious incident handling work reasonably well, but there is a recognition that they are not sufficiently joined-up and their complexity can be a deterrent to service users. The processes can be confrontational, may not encourage openness and can rely too often on the determination of patients to obtain fair outcomes.

We believe that an Assembly Measure will support reforms that will assist service users and lead to better services. The Assembly Measure will be part of a package of reforms which will put in place a more coherent and accessible process for dealing with complaints, claims and serious incidents.

Legislative Content

We would expect the Measure to take action in the following areas:

- The handling and consideration of cases where there is liability arising from a breach of duty of care without recourse to civil proceedings. This would allow Ministers to provide a more integrated and accessible process.
- The definition of NHS and/or other bodies to which the regulations would apply. We would expect to apply arrangements to secondary care settings from the outset and to extend the arrangements to primary care thereafter.
- The definition of persons who may make a case for redress under the regulations.
- The specification of who would handle and consider cases under the arrangements. This would allow Ministers to consider the various routes through which redress could be accessed (i.e. via the organisation itself, through independent review or the Ombudsman).
- The procedures to be followed in the handling and consideration of such cases, including the ability to specify limits to compensation payments made under the arrangements, obtaining expert advice, sharing information.

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- The types of actions that may be taken to provide redress (i.e. apology, explanation, action plan, financial compensation, remedial treatment).
- Suspension of the 3-year legal limitation period whilst a case is being handled under the redress arrangements.
- Assistance and support for people having their case handled under the arrangements.

2) The 'Rainbow' All-Wales Accord

Agreement Establishing An All-Wales Government

21 May 2007

Foreword

A new choice, a new chance for Wales

The people of Wales spoke clearly on 3rd May. It is our duty to act on their strong and confident judgement. No longer can the course of our national life be dominated by one political party. While we respect the role the Labour Party has played in Welsh politics for the past 80 years, devolution has brought a new and exciting dynamic that demands a fresh choice. This is what the people of Wales want. And it is what we in this All-Wales Government are determined to deliver.

Over the last 4 years, Plaid Cymru – the Party of Wales, the Welsh Conservative Party, and the Welsh Liberal Democrats have worked constructively together in scrutinising the Labour Welsh Assembly Government. We accepted the challenge to create a more consensus-based politics, free from the tribalism of the old Westminster system. On this common ground an ambitious and enterprising programme for government has been built.

It takes courage to work together and open up politics to new ideas and wider participation. But we know that the shared values we draw on will provide stability. The great and radical traditions of Welsh politics, so rooted in community life, nurture the hinterlands of our respective parties. It gives us the confidence to present this programme for government to the Nation.

We know it is a programme that will be ultimately judged not on its aspirations but on its achievements for the people of Wales.

Ieuan Wyn Jones AM

Leader, Plaid Cymru

Nick Bourne

Leader, Welsh Conservative Group in the National Assembly

Michael German

Leader, Welsh Liberal Democrat Group in the National Assembly

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Our Common Ground

The principles at the heart of this programme will guide the All-Wales Government. Our commitment is to make Wales a fairer, more diverse and stronger nation than it is today. We know that no individual can flourish where society is weak – and that society cannot flourish where individuals are excluded. And so we will work creatively to deliver public services that are innovative, dependable and able to meet the demands of modern life.

We owe it to the future generations that we will not see, to never lose sight of the environmental challenges that face us now. Their future quality of life is in our hands today. On the land from which so much fossil fuel was dug, we want renewable energy technologies to generate sustainable development that can set a world-class example.

We celebrate the fact that Welsh has survived as a modern language, but we must now raise our vision and see how Wales can become a truly bilingual nation. Our precious language is one of Europe's oldest and most accomplished literary languages. It belongs to us all, whether we speak it or not. Indeed, its rhythms flow so freely through English, that it is embedded in the imagination of the whole nation.

And of course a healthier and more equal Wales will create greater confidence and enterprise in all areas of life. Devolution offers us the opportunity to produce more wealth locally, to invest it responsibly, and so achieve a level of national economic success that fully harnesses the inborn potential of the people of Wales.

Just as Wales helped forge the co-operative ideal during the Industrial Revolution, we now offer Wales a new choice based on shared values and cooperation. Under our All-Wales Government devolution can become more democratic, open, ambitious and enterprising.

**A new chance
A new choice for Wales.**

The Policy Programme

There are seven thematic pillars to our policy programme for the next Assembly term:

- A set of measures to promote that nation's constitutional development, the achievement of a bilingual society in a country that is unified while culturally diverse.
- A new focus on encouraging an enterprising, innovative economy and a highly-skilled work-force.
- Concerted action on climate change, energy efficiency and sustainable development.
- A forward-looking programme of investment in healthcare and well-being.
- Major commitments on social justice, including childcare, affordable housing, council tax and student debt.
- A range of actions to promote Wales in the international context.
- A deep commitment to developing a new style of governing.

Each policy area is divided into high-level commitments which are definite commitments to deliver a policy or a project within the term of the Assembly. Supporting actions are policy commitments which will be prioritised according to available funding each year. A document setting out our investment priorities for the four year-term will be presented in the Autumn following the publication of the Comprehensive Spending Review. We will set out the detail of our legislative programme for the next year following the opening of the Senedd term in June.

Pillar One: Building the Nation

Introduction

The National Assembly for Wales is one of the world's youngest democratic institutions. We desire, above all else, to see our new democracy put down strong and deepening roots at local and national levels. We are also united in our commitment to achieving our dream of a genuinely bilingual country and will give our national languages official status for the first time in our history. Our vision is of a nation proud of its past, confident of its future, with prosperity flowing to every part of Wales. Our culture, as the fullest expression of our identity and our rich diversity as a nation, will be given the high priority it deserves.

High-level commitments

- We commit to supporting holding a referendum on the transfer of full law-making powers as set out in the Government of Wales Act 2006.

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- We will seek the transfer of further powers to the Assembly in a range of areas including energy, transport, youth justice, mental health, and local government and will lobby for the ban on dual candidacy to be revoked.
- We will establish an independent commission to investigate issues relating to the funding and financial powers of the Welsh Assembly Government.
- We will secure the power to change the system of elections for local government and hold a national referendum on the use of the single-transferable-vote early in the term of the Assembly for implementation by 2012.
- We will introduce a Measure to give the Welsh and English languages official status, to afford language speakers equal rights in the provision of services, and to establish the office of Language Commissioner. As with all legislative measures there will be full pre-legislative consultation on these proposals.
- We will issue a National Investment Bond as a means of generating the capital investment to create a 21st century national infrastructure.
- We will request the power to make St. David's Day a national public holiday.
- We will establish an English language National Theatre and ensure the National Gallery is a world class institution with a distinct identity, a strong emphasis on contemporary art and links to local galleries across Wales.
- We will place the delivery of modern world-class public services and the development of an enterprising economy at the heart of nation-building.
- We will publish a national strategy to develop and encourage Welsh-medium education from the nursery sector through to higher education. Appropriate mechanisms will be developed in concert with local authorities, and the FE and HE sectors, including the establishment of a Welsh-medium Federal College/Coleg Ffederal Cymraeg utilising existing HEI facilities.

Supporting actions

Governance

- We will review local government finance, building on the recommendations of the Lyons Report.

The Welsh Language

- We will establish a Welsh for Adults Unit with sufficient funding, giving priority to tutor education.
- We will strengthen the planning guidance TAN 20 to include clear guidelines on how to draw up a language impact study.
- We will create additional Language Action Areas, in conjunction with the mentrau iaith and Menter a Busnes, to support language recovery and economic development in target communities.

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- We will support the campaign to establish a daily Welsh language newspaper and will examine all possible means of ensuring its success.
- We will set up a powerful Language Unit in the First Minister's office to co-ordinate policy across Government.

Culture

- We will implement the key recommendations of the Stephens Report on the arts in Wales.
- We will reaffirm the operational independence of the Arts Council of Wales.
- We will establish a national Arts Development fund to support young talent and seek additional funds from Westminster to establish a National Archive.
- We will strengthen the Creative Industries Fund and ensure cultural industries benefit fully from the next round of Convergence Fund support.
- We will increase support for the National Eisteddfod based on an agreed modernisation programme and enhance financial support for Wales' other leading cultural festivals.
- We will expand the role of arts, culture and learning in promoting health and well-being.
- We will develop a 'duty of care' towards cultural provision as a legal responsibility of local authorities.

Pillar Two: An enterprising, innovative and high-skill economy

Introduction

We are a small nation with a huge and as yet not fully realised potential. To make progress over the next four years we will invest in our most precious resource: the skills, enterprise and creativity of our people. We will create the best environment possible for learning, innovation, business start-up and growth, giving our young people the biggest stake possible in our future success as a nation. We will raise our rate of business start-up, our productivity and research and development spending and begin to close the wealth gap between Wales and the rest of the United Kingdom, and help place our nation at the leading-edge of the world-wide knowledge economy.

High-level commitments

- We will enhance and extend the business rate relief scheme throughout Wales, seek to create Enterprise Zones in disadvantaged areas and to offer corporation tax rebates in the Convergence Fund region.

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- We will make it easier for small local firms in all parts of Wales to win Government contracts and aim for 60% or more of public procurement to be local or Welsh-based by 2010.
- Year-on-year we will make progress on closing the funding gap between the HE sector in England and Wales, and ensure that extra funding is tied to new approaches, including the establishment of a National Science Academy and a Welsh Institute of Design which will be international centres of excellence working alongside existing HE institutions.
- We remain opposed to the introduction of top-up fees during this Assembly term and will do everything possible to mitigate the effect on Welsh students if the Westminster Government lifts the cap on fees in 2009.
- We will progressively drive down class sizes across Wales so that first each local authority and then each school has average class sizes below 25, though with some flexibility for small rural schools.
- We will take steps to widen participation in further and higher education and recognise and enhance the value of vocational education and skills development.
- We will provide additional resources to upgrade school buildings above the level provided by the previous Government. We will work with local authorities to ensure that those schools in greatest need of additional investment, wherever they are in Wales, will be given the highest priority. New and refurbished school buildings will be built to the highest environmental standards.
- We will initiate a pilot scheme for laptops for children in secondary schools at age 11 as part of a national IT strategy.

Supporting actions

The Economy

- We will designate a Minister to lead on developing an enterprise culture.
- We will establish a grant scheme to promote the growth of social enterprises, co-operatives, intermediate labour markets and credit unions.
- We will develop a 'green jobs' strategy to develop Wales as a world leader in environmental technology and services.
- We will introduce a voucher scheme to allow businesses to commission the business advice services they need.
- We will develop an economic strategy for rural Wales based on the promotion of regional growth centres.
- We will review planning regulations and practice with a view to removing any unnecessary roadblocks to economic development.
- We will extend business rate-relief to include self-catering establishments.
- We will launch a sea-side towns initiative, where possible linked to the Convergence Fund, to help improve the infrastructure of our coastal resorts.

Higher Education

- We will appoint a Chief Scientific Adviser to drive forward the development of a comprehensive Welsh science policy and work with HE institutions and the National Science Academy to increase the levels of R&D activity in Wales to the European average.
- We will support the development of new University in North-East Wales.

Further Education

- We will publish proposals on meeting our Future Skills Needs.
- We will develop a system of further education which is responsive to the needs and priorities of employers and the local and regional economy, building on the good practice and quality provision that already exists in the sector. We recognise that this is best delivered through a partnership approach between employers, FE colleges and other training providers, and government.
- We will introduce three year budgets for FE Colleges to ensure they are more able to plan effectively for the future.
- We will promote adult and community learning opportunities which are related both to employability and the wider benefits of learning.
- We will develop a targeted entitlement for first steps into further education.
- We will ensure a strong voice for Sector Skills Councils in the development of local and regional commissioning of learning provision.
- We will protect and enhance the role of the Workers' Education Association in further education, recognising its unique role in providing adult learning in some of the most difficult to reach communities.

Schools

- We will maintain and enhance the Small and Rural Schools fund, and promote federation as a viable alternative to closure. We will fund all schools through a formula which will provide long-term sustainability, including the introduction of three-year budgets.
- We will develop an enhanced safe route to school programme, investing in a modern school transport system based on the use of single deck buses, appropriate supervision or CCTV and an end to the three seat rule.
- We will develop an anti-bullying strategy and create a national advocacy service focused in the first instance on the needs of looked after children.
- We will support the introduction of 20 or 10 mph zones in school neighbourhoods.
- We will implement the key recommendations of the previous Assembly's Education Committee's review of special educational needs with a particular emphasis on the need for regional commissioning.
- We will introduce Saturday and summer schools for sport, music and the arts on a pilot basis.

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- We will develop proposals to extend compulsory education and accredited training provision to all 17 and 18 year olds.
- We will strengthen the Welsh Baccalaureate, creating a vocational as well as academic variant and promote both throughout Wales, providing further choice alongside existing A-levels.
- We will provide support for more specialists and peripatetic teachers to teach subjects as science, maths and languages in primary schools.
- We will develop opportunities for schools and colleges to twin with local sports clubs and invest further in sports coaching. This will create new coaching opportunities, lifelong learning chances and better use of facilities.

Pillar Three: Living Sustainably

Introduction

Climate change is the single most important challenge we will face for the duration of this century. We are determined that Wales will play its part in addressing this vital global issue. Creating a sustainable living environment for future generations is the biggest responsibility that any Government carries and we are committed to Wales becoming a beacon of global best practice in sustainable development. Ensuring a truly modern public transport infrastructure and a flourishing local food production system will be vital components in our strategy.

High-level commitments

- We will aim to achieve annual carbon-equivalent emissions reductions of 3% per year by 2011. To achieve this end we will set out specific targets and action programmes for the residential, business, public and transport sectors. We will develop an appropriate strategy to achieve these targets by consulting with appropriate stakeholders.
- We will introduce a Climate Change Measure giving an independent body, such as Cynnal Cymru, the role of monitoring progress and advising ministers on the setting of targets.
- We will ensure by 2015 that all new publicly funded buildings will be built to carbon-neutral standards and generate a proportion of their own energy on-site from renewable sources. Each local authority will be required to draw up a local energy plan setting out its plans to promote micro-generation and energy conservation.
- We will maintain and strengthen our duty towards sustainable development through the introduction of a national sustainability index.

- We will review the TAN 8 planning guidance policy to ensure it promotes the full range of renewable energy sources.
- We will promote a National Energy Savings Initiative as a one-stop-shop, providing energy efficiency and micro-generation grants and free low-energy bulbs to households.
- We will draw up a firm programme for upgrading North/South and West-East road links. North-South rail links will also be improved as a matter of priority, alongside an extended community rail strategy to help extend business and tourism links into smaller communities and more remote areas across Wales. We will also institute a fast, convenient and integrated north-south coach service.

Supporting actions

Renewable energy

- We will appoint independent advisers and support research to help evaluate the economic and environmental implications of tidal and estuarial energy sources.
- We will ensure environmental technology and alternative energy are key research areas for our National Science Academy.
- We will publish strategies to develop biomass, energy crops and wood energy.
- We will lobby the UK Government for a minimum price guarantee for all householders and businesses selling excess renewable electricity back to the National Grid.

Energy efficiency

- In addition to our plans for carbon-neutral buildings we will place a particular emphasis on greening the public sector through measures such as improved procurement policy to reduce packaging and the use of low energy lighting and smart meters.
- We will seek the necessary powers to develop a sustainable buildings code requiring all new-builds to have energy-efficiency measures as standard. We expect these measures to include proper insulation, smart meters and combined heat and power units.

Sustainability

- We will aim for at least 50% of household waste to be recycled by 2011, and set targets for the phasing out of landfill disposal. We will engage fully with local authorities on waste minimisation, innovative work on producing energy from waste and increasing levels of kerbside recycling collection.
- We will reform planning guidance to create a presumption of a minimum 500 metre residential buffer zone on opencast developments.

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- We will revise the planning policy on out-of-town supermarkets so that their retail impact on town centres is fully considered.
- We will create a Welsh National Forest of native trees to act as a carbon sink and to promote bio-diversity.
- We will introduce a Welsh Marine Measure as a means of protecting our coastal resources and promoting sustainability.

Food and Agriculture

- We will ensure that 60% of publicly procured food is sourced from Wales by 2015.
- We will create a young entrants scheme in farming. We will also establish a consultative forum with the Young Farmers' Clubs network.
- We will seek the powers to implement a statutory code, if necessary, for regulating relationships between supermarkets and their suppliers. We will review the whole sector from farm to fork, looking at supermarkets prices, the supply chain and the processing sector.
- We will restore to the agriculture budget the level of funding available under the previous Tir Mynydd Budget, establish a new agri-environmental scheme and ensure the Assembly government plays a leading role in discussions on CAP reform.
- We will develop a strategy for the Welsh dairy sector in close consultation with the industry.
- We will seek a derogation from the EU regulations which prohibit the burying of fallen stock on farmers land.
- We will develop a national strategy, coordinating the agricultural industry, the veterinary and emergency services to respond to and tackle animal diseases. We will implement a strategy to eradicate bovine TB.
- We will oppose the planting of GM crops.
- We will support farmers markets and food fairs in the promotion of Welsh food and drink, and will examine the potential of reduced-cost use of public sector facilities for these purposes.

Transport

- We will deliver continuing improvement in public transport, including rail, bus/coach and community transport, ensuring better integration of services and promoting measures such as co-ordinated timetables and through-ticketing, and reduce the barriers and complexities in providing and accessing community transport.
- We will introduce a Transport Measure setting up a National Transport Authority together with a Transport Passenger's Committee for Wales and giving local authorities and the Assembly Government greater powers to introduce bus services that are more responsive to local need.

- We will explore new ways of investing in high quality rolling stock in Welsh rail services, including a bond issue and the Government becoming a full or part-owner in a stock-leasing company.
- We will give new impetus to the flagging programmes to extend cycle paths and urban bus lanes. We will pilot a sustainable travel demonstration town with an emphasis on increasing levels of cycling.
- We will explore ways of extending the free bus pass scheme to include local rail services and community transport.
- We will examine the funding of un-adopted roads.

Pillar Four: Health and Well-being

Introduction

Poor health has been the hallmark of our nation for our generations. We are no longer prepared to tolerate that fact. As a matter of urgency we will have to address the crises in the ambulance and NHS dentistry services and the collapse in public confidence following Labour's badly handled reconfiguration process. But to create the long-term basis for Welsh health and well-being we will invest in modern primary care services in the community, investing in prevention, in breakthrough medical research and in the critical areas of mental health, sexual health and drug and alcohol rehabilitation.

High-level commitments

- We will announce an immediate moratorium on hospital closures and proposals to downgrade services, excluding those reconfigurations which have received widespread support or in the case of contracts agreed by the previous administration which it would be financially prohibitive to cancel. We will remain committed to a network of District General Hospitals providing A&E and maternity services as close as possible to the patient's home and to the importance of community hospitals in providing diagnostic, recuperative and rehabilitation care. Only after fully costed plans on community NHS provision have been presented will consultation on any future reconfiguration of services occur.
- We will produce a Charter of Patient Rights, clearly setting the standards and levels of service that patients and families can expect from the NHS, and the information to which they will be entitled.
- We will publish a comprehensive well-being strategy for children, including more resources for physical education, guaranteed access for every secondary school and its associated primary schools to an improved school nursing service, an increase in resources for the school dental service, an improvement in the nutrition of school meals, and stricter control on the marketing of junk food.

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- We will reform the Out-of-Hours Contract to improve access to services.
- The current dental contract will be reviewed in order to ensure better access to an NHS dentist and we will expand the use of mobile and salaried dentists as well as the use of dental hygienists and therapists, placing greater emphasis on preventative care. Nurse-led Walk in centres and multi-purpose well-being centres will be piloted and then rolled out, with different models being applied in different parts of Wales.
- We will seek the devolution of powers over mental health so that an Assembly measure will be introduced enshrining the rights to treatment, admission to hospital and independent advocacy. Additional resources will be made available for mental health, particularly child and adolescent mental health services.

Supporting Actions

Acute Sector

- We will take steps to improve integration between the Out-of-Hours service, A&E and the Ambulance Service.
- The current nurses' pay award will be paid in full.
- We will review the number of targets within the NHS in order to focus effort more clearly on clinical need.
- We will work with hospitals to improve the nutrition of hospital food and levels of hygiene.
- We will improve access to modern medicines and examine the potential for speeding up the approval process.
- A National Institute for Health Research will be established in order to promote medical research and increase the number of clinical trials in Wales.
- Additional resources will be made available for the modernisation of the ambulance service.
- We will adopt a zero-tolerance approach to aggression or violence against NHS staff, requiring all LHBs and Trusts to have robust procedures in place to deal with those who intimidate staff and to support staff after such incidents.
- We will address the poor provision of stroke and diabetes units in parts of the country.
- We will invest in upgrading and extending sexual health services throughout Wales, and support those preventative initiatives that have a proven track record of success.
- We are committed to implementing the recommendations of the previous Assembly's Health Committee's review of cancer services and publishing a Cancer Plan for Wales.
- We will keep adult neuro-surgery services in Swansea.
- We will ensure full funding for the Children's Hospital as part of a strengthened Children's Health Service throughout Wales.

- We will review hospital charges for services such as parking, telephones and television.
- Extra resources will be made available for palliative care.

Primary and community care

- We will ensure the NHS employs more physiotherapists, occupational therapists and speech and language therapists and extend prescribing by appropriately trained nurses and pharmacists.

Prevention

- Every four-to-five year old will be given a free toothbrush and toothpaste as part of an oral healthcare early-years education initiative.
- We will introduce incentives to employers to improve and extend occupational health services, including health MOTs at work.
- We will increase sporting opportunities for children and young people, women and people with disabilities.

Social care

- There will be a clear statement of statutory responsibilities to looked after children, including an extension of the full duty of care to the age of 21 for all looked after young people and to the age of 25 for those who remain in full-time education.
- We will establish a commission of inquiry into the funding of adult social care.
- We will introduce legislation on the rights of carers.
- We will require the greater pooling of budgets between Health and Social Services in order to reduce delayed transfers of care.

Substance misuse

- We will increase the numbers of alcohol and drug rehabilitation places.
- Substance misuse education will be delivered in every secondary school in Wales by trained substance misuse professionals.
- We will address the causes and consequences of substance dependency by implementing a substance misuse harm reduction strategy.

Pillar Five: Social Justice and Community Empowerment.

Introduction

Every citizen has a right to expect an equal chance to realise their potential irrespective of their background or circumstances. The right to a home, to an education, to basic services, to live in safety, to childcare and to dignity in

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retirement define us a decent society. As a Government we cannot guarantee success in life for our people – but we will protect the vulnerable, give everyone the opportunities they deserve, and empower communities to sustain and enhance their quality of life. And we are committed to the elimination of poverty, from the cradle to the grave.

High-level commitments

- We will review the National Homelessness Strategy and ensure viable local homelessness strategies and a sufficient supply of suitable temporary accommodation are in place in all parts of Wales.
- We will implement a package of measures to address the problem of affordable housing including First Time Buyer Grants and a Wales-wide key-workers housing scheme.
- We will invest heavily in social and affordable housing, developing new and innovative sources of capital investment, including a bond issue and greater investment freedoms by Registered Social Landlords to deliver community improvements.
- We will reform the planning system to achieve greater flexibility in the provision of affordable land to meet local housing demand.
- By 2015 we will aim to achieve universal affordable childcare, using a range of interventions, targeting early investment in the areas of greatest need. We will create a new national citizens' service as a core part of the schools curriculum to promote volunteering and civic responsibility in a new generation of adults.
- We will provide a discount to pensioner households in respect of council tax.
- We will involve the voluntary and community sectors more extensively in the planning and delivery of services and we will place the funding of the voluntary sector on a more secure footing by encouraging the use of three-year funding cycles.

Supporting actions

Community

- We will re-establish and enhance the Post Office Development Fund and examine ways to increase the numbers of services available.
- In the field of community safety, we will provide the necessary funding to secure up to 500 extra uniformed officers.
- We will work with local authorities to ensure free access to ATMs, especially in deprived communities.
- We will strengthen community councils, focusing on their role in the provision of local service and, where appropriate, the delegated power to deliver local government services.

- We will give local authorities and community councils a specific power of promoting community integration and inclusion.
- We will work with local authorities to identify ways to improve youth services and facilities in all parts of Wales, including an examination of statutory responsibilities.

Equal opportunity

- We will introduce a targeted scheme to reduce the levels of debt experienced by Welsh-domiciled graduates.
- We will invest in social services, through dedicated teams in each local authority area, to increase the level of benefits take-up among those who are entitled.
- We will create a Minister for Children to oversee our Government's contribution towards the elimination of child poverty by 2020.
- We will appoint a Minister for the Valleys to be responsible for social and economic regeneration strategy across the former Coalfield.
- We will promote Wales-wide efforts to support and integrate migrant workers and prevent their exploitation by unscrupulous employers.
- We will review the experience of Northern Ireland in examining the case for establishing an autonomous Single Equality Body for Wales.

Housing

- We will promote the development of community land trusts in urban and rural Wales.
- We will encourage a greater role for community-based housing associations and tenants cooperatives in the provision and management of housing services.
- We will examine the available powers for maximising access to social housing and strengthen the use of an enhanced Supporting People Grant in order to protect the vulnerable.
- We will publish proposals designed to mitigate the effect of second homes on housing markets in rural areas.
- We will introduce legislation to create a unitary social housing tenancy, to enshrine a tenants' charter and to ensure that all sizeable new housing developments include a proportion of affordable and social housing.
- We will set up an affordable housing task group to advise Ministers on policy in this area during the next four years.
- We will work with planning authorities, developers and housing associations to ensure that more new housing is built to the lifetime home standard.
- We will take appropriate steps to give local councils the additional powers to deal with long-term empty properties.

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Pillar Six: Wales in the World

Introduction

Wales has an important role to play in addressing many key global issues. We will be active in promoting Welsh interests and Wales' profile, culturally and economically, within the United Kingdom, the European Union and the wider world.

High level commitments

- We will seek to widen Wales' membership and strengthen our position in appropriate international bodies.
- We will work towards strengthening the Welsh presence in Brussels in order to maximise the representational impact of the Government, local authorities and other relevant organisations working in concert.
- We will seek to agree a protocol with the UK Government to ensure we can take full advantage of the opportunity to be consulted on European Commission proposals and to participate as fully as possible in UK delegations.
- We will pursue an investment agreement with the European Investment Bank.
- We will work with the United Nations and other key interest groups to improve our compliance with the UN Convention on the Rights of the Child and seek to produce an official Welsh language version of the Convention.

Supporting actions

- We will ensure that arts and culture play a more prominent role in projecting Wales' international role and image, securing greater overseas awareness and greater opportunities for Welsh artists, companies and producers.
- We will exploit the high-profile of the Ryder Cup in 2010 to promote Wales' international profile and support the bid by the Football Association of Wales to host the 2016 European Championships.
- We will prepare a bid for Wales to host the 2018 or 2022 Commonwealth Games.
- We will support the campaign for Wales to become a Fair Trade nation.
- We will strengthen the role of the Assembly's European Committee, making it an effective tool for scrutinising European legislation.
- We will establish a National Teams Development Fund to develop new and existing Welsh national sporting teams.
- We will support the dot.cym campaign to designate an internet Top-Level Domain to Wales.

Pillar Seven: Governing Better

Introduction

We want our Government to be the most open, democratic and accountable in the world. We will involve all our people in the new pluralist and participatory culture of decision-making we are determined to create. Wherever possible this also means involving children and young people, who are citizens now, not just in the future.

High-level commitments

- We will hold open discussions in Cabinet meetings on a regular basis.
- We will establish an Independent National Commission on National Governance to produce proposals on governance structures in the delivery of public services.
- We are resolved that no Assembly-funded services will be made conditional on the possession of the UK Government's proposed ID card.

Supporting actions

- We will develop a citizens' index of satisfaction to gauge public support for policies and service levels.
- Ministers will answer the public's questions live on-line every month, and the First Minister will give a weekly podcast.
- We will develop the use of citizens' juries in evaluating Assembly policy.
- We will enshrine a right of citizens' initiative through an enhanced petitions procedure.
- We will ensure Assembly Departments, including senior policy-makers, are located in all parts of Wales.
- We will ensure more engagement from business, local authorities and the voluntary sector in the allocation of Convergence Funding.

Governance Arrangements

Guiding principles

The parties' objective is to form and maintain in partnership the devolved Government of Wales, to be described as the 'All-Wales Government', (AWG) until the dissolution of the Assembly before the election in 2011 (with its Ministers holding office until the election of the First Minister after the election).

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To work effectively, to deliver their Programme, and to achieve their shared common goals, the parties will need good will, mutual trust, and agreed procedures which foster collective decision-making and responsibility while respecting each party's identity.

The principles of good faith and fairness will underpin the three parties' approaches to all aspects of the conduct of the Government's business, including allocation of responsibilities; the Government's policy and legislative programme; the conduct of business and the resolution of disputes.

Close consultation between the First Minister; the two Deputy First Ministers; other Ministers; and the AMs of the three parties will be the foundation of the Government's success.

Collective Responsibility

Collective responsibility is accepted by the parties to mean that all the business of the Government, including decisions, announcements, expenditure plans, proposed legislation and appointments, engages the collective responsibility of the Government as a whole and must be handled with an appropriate degree of consultation and discussion so as to ensure the support of all Ministers on a collegiate basis. Ministers have the opportunity to express their views frankly as decisions are reached; opinions expressed and advice offered within the Government remain private (subject to the provisions of the Freedom of Information Act); decisions of the Government are binding on and supported by all Ministers; mechanisms for sharing information and resolving disputes are followed.

To achieve this, the Government will update and publish the Welsh Ministerial Code and (the Guide to Collective Decision Making AND/OR the protocol for the All-Wales Government) to incorporate the principles of collective decision-making and the procedures to be followed to promote the good conduct of business, drawing on good practice elsewhere.

Portfolios

The initial structure of portfolios and their allocation between the parties will be agreed between the First Minister and the two Deputy First Ministers. The First Minister will formally appoint Ministers with the Queen's approval on this basis, in the case of the Conservative and Liberal Democrat ministerial appointees, on the nomination of the appropriate Deputy First Minister.

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The portfolios and the names of the Ministers, as well as any later changes, will be announced to the Assembly in plenary session at the earliest opportunity.

Any changes to the structure of portfolios or their allocation between the parties during the lifetime of the Agreement will be agreed between the First Minister and the two Deputy First Ministers.

The First Minister will nominate the Counsel General with the agreement of the two Deputy First Ministers.

The Roles of the First Minister and Deputy First Minister

The parties agree that, subject to the approval of the Assembly, the Leader of Plaid Cymru in the National Assembly will be nominated for appointment as First Minister and the Leaders of the Welsh Conservatives and the Welsh Liberal Democrats will be appointed as Deputy First Ministers.

The First Minister will be responsible to the Assembly for all aspects of policies and retains ultimate responsibility for all policies. However in order to provide consistency across portfolios and the need to engage all parties of the all-Wales Government normally the First Minister and the two Deputy First Ministers will be engaged in policy presentation. These arrangements will be agreed between them and the Permanent Secretary. Such arrangements will include deputising for the First Minister in the Assembly and making public announcements; the Deputy from the largest party shall take precedence.

It is essential that both the First Minister and the two Deputy First Ministers are kept fully and promptly informed across the range of Government business, so that they can engage in any issue where they consider that appropriate. The procedures to be established for handling business within the Government will require officials to copy all relevant material to the offices of the First Minister and the two Deputy First Ministers.

The First Minister and the two Deputy First Minister will have appropriate official, political and specialist support to enable them to discharge their roles effectively.

A Cabinet committee will be formed comprising the First Minister and the two Deputy First Ministers. The Committee's responsibility is to ensure the effectiveness of the AWG. The committee will:

- Monitor implementation of the Programme.

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- Agree the participation of the partnership parties in public appointment made by Government when appropriate.
- Co-ordination the presentation of Government within the National Assembly and externally.
- Ensure that procedures are in place for the involvement of all the partnership parties in major Government announcements.
- Subject to external restraints, agree the representation of the Government in all dealings with the Secretary of State for Wales; other UK Government Ministers; other institutions at UK/EU/International level.

The Parties' support for the Government in the Assembly

The parties should aim to agree on all matters of Government policy. All three parties are committed to constructive dialogue between Ministers and backbenchers to build a strong partnership.

The three Assembly parties will operate in support of the AWG on all issues covered by this Agreement. Whilst each will make its own business management arrangements to ensure effective party support for the Government, the business managers will consult and co-operate with each other to ensure the delivery of the Government's programme.

Whilst preserving the independence of the committee system, members of the parties serving on the same committee will cooperate on the formal business and legislation of the Government. Matters of new Government policy outside this Agreement must be agreed by all three parties. In all portfolios, Ministers will meet regularly with the nominated spokesperson or lead backbencher from all three parties to discuss policy. Any disagreement should be referred through internal party mechanisms until all three parties agree.

None of the parties will support spending proposals brought before Assembly other than by the Government or covered by this Agreement unless considered and agreed by all three party groups.

The parties will agree and put in place appropriate political arrangements to facilitate an effective working relationship at all levels, including AMs of all three parties who are not Ministers.

Matters reserved to the UK Parliament, other than those mentioned in the Programme, are outside the scope of this Agreement. Whenever necessary, the parties will decide, through the cabinet Committee, how to deal with such matters on a case by case basis.

Distinctive identities

All three parties recognise the need for parties to be able to maintain distinctive political identities in Government and in the National Assembly. They will therefore develop processes for:

- Ensuring appropriate credit for and recognition of the policy contribution of each party; and.
- The expression of the different views publicly and in the National Assembly which do not undermine the principles of collective responsibility and good faith or the bases of partnership working set out in this Agreement.

Disputes

The parties' objective is that this Agreement will remain in place until the dissolution of the Assembly before the election in 2011. To achieve this, they will make every effort to resolve any disagreements which may arise, particularly those which threaten its continued operation.

Where a dispute arises between any of the parties or Ministers of different partnership parties, the matter will be referred to the Cabinet Committee for resolution by consensus.

Ratification of this Agreement

The parties will ratify this Agreement according to their own internal procedures.

The Agreement will come into effect after ratification immediately on signature by the partnership party leaders.

3) One Wales: A Progressive Agenda for the Government of Wales

An agreement between the Labour and Plaid Cymru Groups in the National Assembly, 27 June 2007.

Foreword

As leaders of our respective parties, we are proud to endorse this agreement which delivers a progressive, stable and ambitious programme for government over this Assembly term. We are passionate about improving the lives of people in Wales and making our nation a better place in which to live and work.

We recognise that, on May 3rd, the people of Wales sought a government of progressive consensus. In reaching an agreement to work together, we acknowledge this as a significant historic moment in the governance of Wales.

This programme represents the outcome of a rapid and intensive period of discussion and negotiation. These negotiations have required courage, because this is an historic step for both our parties and compromise, because achieving stability in government has meant finding common ground. More than anything, it has required, and will require, a new maturity on both sides. The journey on which we embark is challenging for our parties and also for all those who now share the responsibility of delivering these policies. We know, for certain, that the day-to-day implementation of this programme will demand trust and that building trust between us as partners is vital if we are to maintain the confidence of the people of Wales. Given the prolonged process in forming a government, we both recognise the importance of building trust in this institution.

As a coalition of the two largest parties in the Assembly, we are acutely aware of our shared responsibility to ensure the democratic vitality of this third term and to ensure that dissenting voices and alternative points of view are represented and heard. We are also aware of this agreement's limitations, since entering a coalition does not mean merging our parties. Nothing in this agreement will stand in the way of us taking part with unconstrained vigour in democratic elections, not least the local government elections in 2008. Both parties will retain their individual identities and ideological distinctiveness throughout.

However, we remain united in the belief that a greater good makes this unprecedented course of action worthwhile.

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The prize which it delivers is simply to deliver the sort of fair, prosperous, confident and outgoing Wales which its citizens deserve and demand. We believe unequivocally that our programme for government provides the best prospect of the policies and outcomes that match the core beliefs of the people of Wales.

We will work hard to address the issues which matter most to individuals and families in all parts of Wales by listening to those in trade unions, business, local government, the voluntary sector, the professions and Welsh society at large.

We have worked together to develop a programme of government to achieve the kind of Wales of which we can be proud.

This programme is ambitious but deliverable, radical yet realistic.

We jointly commend it to you.

Rhodri Morgan

Leader, Labour Party Wales

Ieuan Wyn Jones

Leader, Plaid Cymru

1) A Progressive Agenda for Wales

Shared values, common goals and joint aspirations for the people of Wales will drive this four-year programme for government. It offers a progressive agenda for improving the quality of life of people in all of Wales's communities, from all walks of life, and especially the most vulnerable and disadvantaged.

The people of Wales, and their government, face unprecedented challenges. Working together, we have devised a programme of government which meets these challenges head on. Our ambition is no less than to transform Wales into a self-confident, prosperous, healthy nation and society, which is fair to all.

Our joint commitment to the principles of social justice, sustainability and inclusivity – of the whole of Wales and for all its people – run throughout this programme. These principles underpin the programme and are fundamental to its success.

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In devising this programme, we have explicitly recognised the diversity of Wales – geographically, socially, linguistically and culturally. We propose a comprehensive programme of government, for the full four year term, which covers the whole spectrum of policy and action. We propose a programme which builds a strong and confident nation, which will create a healthy future, and which creates prosperity and jobs in living communities including measures to support the Welsh language.

We set out plans to ensure learning for life, to create a fair and just society and to ensure a sustainable environment. Finally, we aim for a rich and diverse culture, which promotes Wales as a bilingual and multicultural nation.

This programme for government is ambitious yet realistic. It is radical yet deliverable.

It makes best use of the powers and resources available to the government and puts on the agenda whether further changes are needed.

2) A Strong and Confident Nation

Without strong government with a sense of purpose and direction, we cannot deliver the real and lasting changes to transform people's lives all over Wales.

The Government of Wales Act 2006 sets the framework for the Assembly's powers during the next term. During this time, we will work together to enhance the Assembly's powers further and to ensure it has a fair allocation of funding so that people all over Wales can see enduring differences and real outcomes. We recognise that in order for Wales to prosper further and to deliver that change, the Assembly needs to develop further legislative powers.

Assembly Powers

There will be a joint commitment to use the Government of Wales Act 2006 provisions to the full under Part III and to proceed to a successful outcome of a referendum for full law-making powers under Part IV as soon as practicable, at or before the end of the Assembly term.

Both parties agree in good faith to campaign for a successful outcome to such a referendum. The preparations for securing such a successful outcome will begin immediately. We will set up an all-Wales Convention within six months and a group of MPs and AMs from both parties will be commissioned to set the terms of reference and membership of the Convention based on wide representation from civic society. Both parties will then take account of the success of the

bedding down of the use of the new legislative powers already available and, by monitoring the state of public opinion, will need to assess the levels of support for full law-making powers necessary to trigger the referendum.

Funding and Finance

There will be an independent Commission to review Assembly Funding and Finance, to include a study of the Barnett Formula, of tax-varying powers including borrowing powers and the feasibility of corporation tax rebates in the Convergence Fund region, including the implications of recent European Court of Justice Rulings in this area.

Public Services

Following the recommendations of the Beecham Report, *Beyond Boundaries: Citizen-centred local services for Wales*, we will put in place a strategy for the continual improvement of local services in Wales aimed at embedding the imperatives of efficiency and citizen-centred services in the context of the Wales Spatial Plan. As part of this work, we will review the governance of public service bodies in Wales to ensure their alignment with this improvement agenda.

We will also establish a Strategic Capital Investment Board to ensure that best use is made of capital funds and to develop all opportunities to access capital finance consistent with an accountable, citizen-centred public service. We will also develop Local Service Boards and agreements including a commitment to pooled budgets.

3) A Healthy Future

We aspire to a world-class health service that is available to everyone, irrespective of whom they are or where they live in Wales, and at the time when they need it. Our health services must inspire confidence in the people of Wales that they will receive the best care available.

We are proud of the National Health Service, born in Wales out of a shared commitment to top-quality services, available to all and free at the point of delivery. We remain loyal and committed to these fundamental principles, which will drive our programme for government over the next four years.

We are passionate about delivering significant improvements in the health of all of the people of Wales. We recognise the need to work harder to improve the well-being of all vulnerable and disadvantaged in Wales who rely heavily on our health service.

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We are determined that the services provided by the NHS should be genuinely shaped by and meet the needs of the people it serves, at the same time as taking full account of the latest evidence on best clinical practice. To do this we will put democratic engagement at the heart of the NHS. We firmly reject the privatisation of NHS services or the organisation of such services on market models. We will guarantee public ownership, public funding and public control of this vital public service.

For hospital patients, we will strive to ensure a positive experience at what is inevitably a distressing time, through working hard to ensure the environment is clean and food is nutritious.

Over the next four years we will deliver a programme of government that includes:

- Reviewing NHS reconfiguration.
- Strengthening NHS finance and management.
- Developing and improving Wales's health services.
- Ensuring access to health care.
- Improving patients' experience.
- Supporting social care.

Reviewing NHS Reconfiguration

People all over Wales must be confident that any changes to NHS services in their communities will provide them with the best possible care. We pledge that the people of Wales will be fully engaged in any future reconfiguration of services:

- We will agree and implement a new approach to health service reconfiguration.
- We will institute a moratorium on existing proposals for changes at community hospital level.
- We undertake that changes in District General Hospital services will not be implemented unless and until relevant associated community services are in place.
- We will support changes where there is a local agreement on a way forward.
- Where proposals are contentious, we will proceed on the basis of an agreed evidence base, in which both parties will be involved, and which will be conducted on an open book basis. Where flaws or gaps are identified in existing evidence, new information will be sought and fresh public consultation will be embarked upon.
- We will revisit and revise proposals which reconfigure individual services through single site solutions.
- We will reinstate democratic engagement at the heart of the Welsh health service by putting the voice of patients and the public at the centre of what we do. We will reform NHS trusts to improve accountability both to local communities and to the Assembly government.

- We will institute a change to the present way in which consultation is conducted. Before any consultation documents involving health service reconfiguration are published in the future, they will be subject to internal scrutiny, at the Assembly government and involving both parties. The purpose of this scrutiny will be to ensure that such documents, and the proposals that they contain, are properly based on evidence so that they will be more likely to command widespread respect.

Strengthening NHS Finance and Management

How the NHS is financed and run matters. We are resolved to keeping the NHS publicly owned, funded and managed.

- We will move purposefully to end the internal market.
- We will eliminate the use of private sector hospitals by the NHS in Wales by 2011.
- We will ensure that any use of NHS facilities for private practice will be appropriately remunerated.
- We will rule out the use of Private Finance Initiative in the Welsh health service during the third term.
- We will end competitive tendering for NHS cleaning contracts.
- We will work to create a National Institute of Health Research.

Developing and Improving Wales's Health Services

The NHS cannot stand still. It has to adapt and change. New services and treatments are continually emerging. We will, based on the evidence available, constantly improve and develop services. We will invest in the prevention of ill health, as well as treatment and care when illness strikes.

Over the next four years, through the programme of government:

- We will provide a minimum of one family nurse per secondary school by the end of the Assembly term.
- We will pilot investment in new multi-purpose well-being centres.
- We will provide extra funding for palliative care.
- We will place a new priority on providing for mental health, including child and adolescent mental health services.
- We will seek legislative competence in relation to mental health.
- We will improve provision for long-term conditions, such as stroke and diabetes patients.
- We will refocus the provision of dental services in Wales to provide a new public health focus, building up the Community Dental Service and employing more salaried dentists.
- We will invest £190 million in public health and health improvement.

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- We will, as part of improved sexual health services, plan to introduce a cervical cancer vaccine scheme from 2008 onwards.
- We will explore the opportunity to place occupational health services on a statutory basis.
- We will bring forward legislation for vulnerable children.

Ensuring Access to Health Care

We are determined that patients in all of Wales's communities have rapid and ready access to the care they need. Over the next term:

- We will reduce waiting times to a maximum of 26 weeks from referral to treatment, including all or any waits for therapies and diagnostic tests.
- We will ensure improved access to services including well-being centres and pharmacy based NHS drop-in centres.
- We will increase the number of nurses qualified to prescribe medicines independently.
- We will maintain free prescriptions.
- We will draw up a Charter for Patients Rights and legislation on NHS redress.
- We will extend the Health Inequalities Fund.
- We will develop and publish a Rural Health Plan, ensuring that the future health needs of rural communities are met in ways which reflect the particular conditions and characteristics of rural Wales.

Improving Patient Experience

We pledge to make patients' stay in hospital the best possible. A positive experience of care speeds recovery, and helps people's overall well-being at what can be a difficult time. Over the next four years:

- We will work hard to deliver improvements in hospital food and nutrition.
- We will improve hospital cleanliness.
- We will reform charges for hospital parking and patients' access to telephones and televisions whilst in hospital.

Supporting Social Care

We place great importance on the unpaid care provided to others by family and friends. It is just as significant as the care provided by the NHS. We recognise and support the contribution made by Wales' unpaid carers.

We are firmly committed to improving the care provided to vulnerable people by public, private and voluntary bodies. We will help people to be independent and achieve their full potential, whilst also protecting people when they are most vulnerable. We will drive forward improvements in the quality of care, creating seamless care pathways at a fair cost.

Our programme of government over the term is that:

- We will seek the powers, and then bring forward legislation, to create a more level playing field in relation to charges for domiciliary care services.
- We will seek further powers to legislate in the fields of vulnerable children, looked-after children and child poverty.
- We will review the Carers Strategy and prepare legislation on the rights of carers.
- We will build on existing workforce plans to include all care staff, with a strong emphasis on work-based training to enable individuals to gain qualifications on the basis of their practical skills and to develop those skills further.
- We will develop new not-for-profit nursing homes.

4) A Prosperous Society

Our vision is of a Wales where there is a strong and enterprising economy and full employment based on quality jobs. We will encourage and stimulate enterprise and support companies to grow and invest. Everyone must have the opportunity to achieve a reasonable standard of living, no matter where they live or what they do. Full employment supports and sustains communities in all parts of Wales and helps to tackle poverty and disadvantage wherever it occurs.

Recognising the importance of an all-Wales approach to securing economic prosperity, we will do our utmost to create and retain jobs across the whole of Wales, in rural and urban communities alike. Our actions will be firmly guided by sustainability principles, encouraging long-term, high-quality jobs. We will target those areas in greatest need, wherever they occur in Wales.

Viable businesses create jobs. It is imperative that we create a positive climate for business growth. Wales must be renowned for business success. We will use all the tools available to us, from public procurement and support for private investment to European Union funding to enable businesses to flourish and expand. In doing so, we will work closely with business and trade unions to ensure that both are fully equipped for the challenges of global competition.

Unlocking the potential of Wales's people is vital to our prosperity. We will equip people with the skills they need, at all levels, to enable them to make the best possible contribution to the economy and their communities, and to fulfil their individual potential. We will provide every help for people to get sustainable jobs where they need advice and support.

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Our programme of government provides for three sets of actions:

- Creating jobs across Wales.
- Stimulating enterprise and business growth.
- Promoting tourism.
- Enhancing skills for jobs.

Creating Jobs Across Wales

Jobs are the lifeblood of Wales – without jobs individuals are severely disadvantaged, communities all over Wales suffer and there is no prospect of prosperity. Together, we want to create jobs to give people and their communities a brighter future. To do this:

- We will implement a labour market strategy with a long term goal of full employment at a rate of 80%.
- We will adopt an all-Wales approach to economic development, guaranteeing investment in all regions of Wales, and working within the framework of the Wales Spatial Plan.
- We will continue key regeneration programmes in the Heads of the Valleys and Môn a Menai.
- We will develop an all-Wales green jobs strategy.
- We will support the development of a Manufacturing Forum and Skills Academies in key manufacturing sectors.
- We will, alongside the Department of Work and Pensions, continue to introduce innovative programmes to help people back into work, such as Careers Ladders and extra support for child care.
- We will ensure that all projects seeking to benefit from public funding, including all structural funds, seek to meet sustainability criteria.
- We will explore options for a public sector investment agreement with the European Investment Bank.
- We will press ahead with relocation of Assembly divisions to North Wales, West Wales and the South Wales Valleys.

Stimulating Enterprise and Business Growth

Strong businesses need active support to grow and prosper. We will foster a positive climate for enterprise and business development across Wales, and in particular encourage small and medium sized businesses to thrive.

- We will, by working within the European legal framework, make it easier for small local firms in all parts of Wales to win government contracts. We will introduce an All-Wales Purchasing Code of Practice to support a progressive increase in the overall amount of public purchasing sourced from business in Wales.
- We will create a single investment fund for business support which includes provision for social enterprise and environmental incentives.

- We will enhance the business rate relief scheme, within the context of more effective support for businesses.
- We will increase support for farmers' markets.

Promoting Tourism

Tourism is vital to economic prosperity and job creation in many parts of Wales. Tourism should therefore be developed across Wales on a regional basis in order to make the most of local resources and assets.

- We will continue to promote Wales actively in external markets, drawing on our unique assets in culture, history and the environment.
- We will make strategic investments in facilities and employee skills.
- We will support the tourism industry as the market moves increasingly towards shorter and activity-based breaks.

Enhancing Skills for Jobs

- We are committed to equipping young people and adults alike with the skills they need to fulfil their potential at work. Good skills also support the development and growth of businesses. To achieve this:
- We will develop a targeted programme to improve skill levels for current and future workplace needs.
- We will create and develop links between education and entrepreneurship.
- We will support the development of NEWI to full University status.
- We will encourage procurement which incentivises training opportunities for the unemployed.
- We will commit to a Wales Union Learning Fund and a Union Modernisation Fund.

5) Living Communities

A Home for All

Lack of good-quality housing affects people's health and well-being, and influences their long-term life chances. Everyone has the right to an affordable home as owner, as part-owner or as tenant. A stock of good-quality, affordable homes is the foundation of thriving local communities in all four corners of Wales.

The shortage of affordable housing, to rent or to buy, is one of the greatest challenges facing many communities in Wales. Many places are already experiencing very considerable housing pressure, with local people effectively priced out of the housing market, unable to afford a home. The resulting impact on individuals, families and communities is all too evident across Wales.

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Our ambition is to ensure that all households, in all communities and irrespective of their means, can afford a decent home.

Working together, we will create new tools to ensure that housing is affordable in the areas of most severe housing pressure. We will also ensure that the supply of affordable housing increases by at least 6,500 over the next four years. We will also provide financial support to young people who want to buy their first home in their own community but cannot afford to do so.

This programme of government commits us to:

- Meeting housing need.
- Improving access to housing.
- Increasing the supply of affordable housing.
- Ensuring 21st-century housing.

Meeting Housing Need

Many communities experience severe housing pressure, with house prices far outstripping local wages. We are committed to tackling this problem in the worst affected areas using our new powers.

- We will draw down legislative power to the Assembly in order to suspend the Right to Buy in areas of housing pressure.
- We will review and reissue Technical Advice Note (TAN) 20 with a view to allowing local authorities to use Language Impact Assessments for planning purposes in areas of housing pressure.
- We will provide local authorities with the ability to secure 100% affordable housing on development sites to meet local needs in areas of high housing pressure.
- We will, by drawing on the model of control of Houses in Multiple Occupation set out in the Housing Act 2004, aim to provide local authorities with the power to control the conversion of full-time dwellings into second homes in areas of housing pressure.

Improving Access to Housing

Getting onto the housing ladder is extremely difficult for many people on typical incomes in areas of high house prices.

- We will provide grants for first-time buyers.
- We will, in the on-going review of TAN 6, extend the current agricultural and forestry worker dwelling category to a rural enterprise worker category for essential dwellings in the countryside.

Increasing the Supply of Affordable Housing

We need to ensure that there is enough housing to meet people's needs in all communities. The era of long waiting lists for social housing should end, and new build housing developments should include affordable homes. Together, we will ensure that the supply of affordable housing increases, through investing in social housing, including council housing, and stimulating the supply of affordable private sector homes.

- We will provide increased funding to support social housing.
- We will require all sizeable new housing developments to include a percentage of social housing reflecting local need.
- We will allow local authorities greater freedom to designate non-development sites for the sole purpose of affordable housing, taking into account the principles of adjacency and sustainability.
- We will reform and reissue guidance on 'affordability' and 'local' criteria for use in section 106 agreements.
- We will improve radically the supply of publicly-owned land, including land in the ownership of the Assembly government, for local, affordable housing.
- We will provide greater power of specificity in designating Assembly owned land for affordable housing purposes.
- We will promote the expansion of Community Land Trusts in Wales.
- We will lobby the Westminster government to provide greater discretion to charitable organisations in disposing of land below market value for affordable housing purposes.
- We will place a statutory duty on each local authority to prepare a delivery plan for affordable housing, consistent with their housing strategy, to include target numbers.

21st Century Social Housing

We are strongly committed to ensuring that social housing in Wales meets 21st Century standards.

- We will keep the Welsh Housing Quality Standard under review. Where, having secured the agreement of their local populations, individual local authorities put forward a case for compliance with the Standards to be achieved through an extended compliance timetable, and where applications are backed by a robust business plan, we will consider such applications on their individual merits.
- We will ensure that, where a stock transfer ballot has taken place within the lifetime of a council, no re-ballot should occur within that local authority term of office unless a significant change of circumstances can be demonstrated to have taken place.
- We will, where local authorities decide to hold stock transfer ballots, work actively to ensure that tenants have access to impartial advice.

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- We will provide extra funding for the Supporting People programme over the four years of the Assembly term.

Homelessness

We will tackle homelessness in all of our communities. To do this:

- We will produce a plan to confront homelessness over a decade, seeking new powers under the Government of Wales Act 2006, where such powers are necessary to the development and implementation of a Welsh strategy.

Access for All

Travelling across much of Wales can be lengthy and tortuous, whether travelling by car or public transport.

We envisage a Wales where travelling between communities in different parts of Wales is both easy and sustainable. We are firmly committed to creating better transport links, both road and rail, between the North and the West of Wales and the South.

A quarter of households all over Wales do not have a car and rely on public transport or walking or cycling. We will transform provision of bus services by investing in a modern, integrated public transport system. Better public transport will also help households in non-urban communities to be less dependent on car ownership, the costs of which can be prohibitive to those on low incomes.

Dramatic improvements to public transport will encourage people to reduce car use. This in turn will contribute to reducing Wales's carbon footprint.

Our programme of government over the next four years will involve:

- Improving regional and national transport.
- Improving accessibility.

Improve Regional and National Transport

We will improve transport between communities across Wales by investing in many different modes of travel.

- We will develop and implement a programme for improved North-South links, including travel by road and rail.
- We will reduce rail travel time between the North and South of Wales.
- We will create a new all-Wales Traws Cambria transport network integrating long distance rail and coach routes with electronic cross-ticketing by 2011.
- We will continue to improve the safety and quality of stations and platforms in all parts of Wales, introducing new trains and train services.
- We will introduce a National Transport Passenger Committee for Wales.

- We will improve arrangements for regional and national strategic planning for transport.
- We will press ahead with improvements to major road links between the North, the West and the South of Wales, investing over £50 million for this purpose over the four year Assembly term.

Improving Access

Most journeys are local – going shopping, taking children to school, getting to work or keeping hospital appointments. To improve local transport:

- We will use new powers for local authorities to plan and support new bus routes to improve links between communities.
- We will enhance and link up cycle routes on an all-Wales basis.
- We will enhance rail discount arrangements for pensioners.
- We will support transport sustainability with investment in community transport, cycling, safe routes to school and 20 mph zones.
- We will pursue legislation on improved school transport.
- We will develop a plan to move freight from road to rail.

6) Learning for Life

Education brings empowerment. A learning culture helps to achieve social justice, ensure economic productivity and meet the challenges of new technology. It helps us to have a better understanding of our place in the world, of looking to the past in order to deliver a better future for the people of Wales.

Young people's educational achievement at sixteen can have a significant impact on the likelihood of them getting a job and on the pay levels of that job. Many young people have yet to achieve their full potential. Many of Wales' adults also need help and support to start – or continue – learning later in life.

Our vision is of a society in which learning throughout life is the norm, where the people of Wales are actively engaged in acquiring new knowledge and skills from childhood to old age. We will meet the challenge of improving the level of qualifications attained by our children, young people, and adults too. We will build upon our partnership with education providers, staff and parents to create the best possible schools for the future.

As a government, our unwavering commitment is to give the children of Wales the best start in life, through providing a first-class education for all children, whatever their social origins or wherever they live. We are also strongly committed to promoting and supporting learning for adults, whether in further education, higher education or community-based learning.

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Our programme for government involves:

- Establishing a right to learning.
- Reforming funding.
- Ensuring the best start for young children.
- Creating 21st century schools.
- Developing adult learning.

Establishing a Right to Learn

Everyone, from whatever background, of whatever age and whether Welsh-speaking or English-speaking, has the right to an education.

- We will provide a government-guaranteed right, backed up with new money, to education and accredited training until the age of eighteen, including a broader-based baccalaureate, incorporating vocational and academic learning opportunities, with a legislative framework.
- We will set out a new policy agreement with Local Education Authorities to require them to assess the demand for Welsh-medium education, including surveying parental wishes, and to produce a resulting School Organisation Plan, setting out clear steps to meet need.
- We will create a national Welsh-medium Education Strategy to develop effective provision from nursery through to further and higher education backed up by an implementation programme.
- We will continue to develop a distinctive curriculum that is appropriate for Wales.
- We will establish a Welsh-medium Higher Education Network – the Federal College – in order to ensure Welsh-medium provision in our universities.
- We will explore the establishment of a Welsh for Adults Unit with sufficient funding, giving priority to tutor education.

Reforming Funding

We must get funding arrangements in place that allow schools and colleges to plan for the future.

- We will reform funding arrangements for schools and Further Education colleges, including moving to three year funding.
- We will work with local authorities, unions, professional groups and parents to review the formula through which schools are funded, including ways of mitigating the impact of large scale fluctuations in pupil numbers, so as to provide schools with a secure basis from which to plan.
- We will continue the existing grant arrangements for small and rural schools, making greater use of school buildings to improve viability.

Ensuring the Best Start for Young Children

We are determined that very young children will have every opportunity to

develop and grow in a happy, healthy and supportive environment. In our programme of government over the four year term:

- We will commit to progressing provision of universal, affordable childcare, with additional budget support during the Assembly term, including extended free, full-time, high-quality childcare for two year olds in areas of greatest need.

Creating 21st Century Schools

Schools need to be fit for purpose and properly funded, with highly professional and motivated staff. Children must be able to get the support and resources they need, and follow a curriculum which inspires and encourages achievement.

Schools must work in partnership with parents and the community to deliver real and lasting benefits for all children, whatever their background. To meet these challenges, our programme of government is that, over the four year term:

- We will deliver radical reductions in class sizes for three to seven year olds.
- We will support the development of community schools, to include better integration of sporting opportunities in both schools and communities.
- We will continue a major capital investment programme to upgrade school buildings, exceeding the sums provided over the previous four years.
- We will institute a programme of increased investment in sustainable school buildings, to include provision of water sprinklers.
- We will provide more resources for physical education in schools and we will promote the retention of school playing fields.
- We will initiate a pilot scheme for laptops for children.
- We will bring forward legislation on Additional Learning Needs.
- We will establish an enquiry into disengagement from learning amongst children and young people to look at evidence of what works. The remit will include the transition from primary to secondary schools, the curriculum, the delivery of post-16 education and the potential of personalised learning.
- We will maintain the programme of free school breakfasts.
- We will assess the impact on secondary school funding of developments in the 14 – 19 curriculum, and will bring forward proposals for discussion on post-14 education accordingly.
- We will review the way in which we measure educational attainment, including the use of free school meals as an indicator in this field.
- We will develop a national structure for classroom assistants.
- We will support pilot schemes for Saturday and summer schools for sport, music and the arts.
- We will develop opportunities for schools and colleges to work with local sports clubs and invest further in sports coaching.

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- We will investigate ways in which volunteering by young people can be better recognised and rewarded.
- We will assess the impact on educational provision of new patterns of immigration, particularly from accession countries.

Developing Adult Learning

Wales has a strong network of colleges and universities offering further and higher education. We will maximise the economic, social and cultural impact of colleges and universities on learners and on the wider community. We are resolved to develop a further and higher education system which offers a broad range of learning opportunities, is responsive to the needs of students and employers, and tackles poverty and disadvantage. We are committed to widening participation in higher education. All educational institutions will be strongly encouraged to work together to make the most of their resources and provide the widest possible range of opportunities.

To do this:

- We will provide extra assistance with student debt and maintain existing fee levels in Wales up to and including 2009/10. We will maintain the current level of resource throughout the four year Assembly term, doing whatever is possible to mitigate the effects on Welsh-domiciled students if the Westminster government lifts the cap on fees in 2009.
- We will substantially increase the number of apprenticeships.
- We will make full use of the Webb Report into Further Education in Wales to develop a system which is responsive to the needs and priorities of local communities, employers and the local and regional economy. A partnership approach will continue to provide the bedrock of our approach in this area.
- We will work to widen participation for all ages in further and higher education, promoting adult and community learning both in relation to employability and the wider benefits which education brings.
- We will ensure that extra funding is tied to new approaches in higher education, to develop proposals for joint working and for the further development of inter-University agreements for co-working between departments across Wales.
- We will establish a new National Youth Service Fund.
- We will work to establish a National Science Academy.
- We will establish new National Research Centres.

7) A Fair and Just Society

Our vision is of a fair and just Wales, in which all citizens are empowered to determine their own lives and to shape the communities in which they live.

Our ambition is a Wales where everyone achieves their full human potential and everyone can live free from poverty, discrimination, fear or abuse.

The government will be unswerving in its adherence to the principles of inclusion, pluralism and fairness. We will ensure that all sections of the Welsh population are engaged as citizens. Our programme emphasises tackling the causes – rather than just the symptoms – of problematic behaviour and protects vulnerable individuals or groups from suffering harm or discrimination.

We are firmly committed to supporting and including those who are marginalised from society. We will offer appropriate and effective treatment and support to re-engage with the wider community and to ensure that the wider community is fully inclusive.

We want to see a fair system of youth and criminal justice, in which the people of Wales have every confidence. Our programme of government involves:

- Promoting equality.
- Enhancing citizenship and community cohesion.
- Regenerating communities.
- Tackling child poverty.
- Ensuring an effective youth and criminal justice system.

Promoting Equality

We recognise that if some individuals and groups are discriminated against arbitrarily, this damages their life chances. We aim to foster cohesive, plural and just communities where people, regardless of physical ability, gender, sexual orientation, race, creed or language, can feel valued.

Over the next four years:

- We will work to make a success of the new Single Equality Body in Wales, drawing on the autonomous experience of this approach in Northern Ireland.
- We will, continue and extend collaboration with the Interfaith Forum to promote understanding across cultures and faiths and further develop and disseminate good practice models in Welsh public bodies which acknowledge and celebrate both diversity and commonalities.
- We will explore and implement new ways of engaging citizens through participative and deliberative methods.
- We will implement the All-Wales Strategy on Gypsies and Travellers.
- We will refine and implement the Refugee Inclusion Strategy including the recommendations on the interests of unaccompanied asylum-seeking children.
- We will develop a strategy to reduce hate crime.

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Enhancing Citizenship and Community Cohesion

We will develop and implement an overarching, all-Wales community cohesion strategy. As part of this strategy:

- We will establish units in every local authority area, encouraging positive citizenship, discouraging and addressing anti-social behaviour through strategies such as mediation, reparation orders, child safety orders and acceptable behaviour contracts. We will develop and implement an All-Wales Alcohol Reduction Strategy aiming to increase the number of drug and alcohol rehabilitation places available in Wales.
- We will, in relation to substance misuse, further integrate the principles of harm-reduction models by considering, if the evidence supports it, the adoption of the pilot programmes currently under way in England.
- We will take forward the report into substance misuse counselling services produced earlier in 2007, including workforce development and the establishment of an All-Wales Group to oversee standards and services.
- We will review the effectiveness of harm-reduction education programmes in schools.

Regenerating Communities

We are strongly resolved to regenerate diverse communities, of place and of people, across Wales. We will empower people to rebuild the social, economic and cultural fabric of their communities and we will engage positively and purposefully with community representatives.

Over the next four years:

- We will provide extra help for pensioners with council tax.
- We will establish integrated and cross-cutting initiatives aimed at economic development and regeneration, particularly in areas of high deprivation – the existing models of the Heads of the Valleys Programme and Môn a Menai will be exemplars.
- We will reinstate and refocus the Post Office Development Fund, exploring with local government colleagues, ways in which Post Offices might better be used for local authority, business and other local services and also encouraging the location of free ATMs in post offices.
- We will work together to develop Communities First into its Communities Next phase, drawing on the experience of the wider community development movement in Wales and the findings of the Interim Evaluation of the programme.
- We will embed and implement in full the strategy relating to the support and co-ordination of advice services in Wales, so that comprehensive benefit advice is available in all local authority areas.
- We will continue and further support the Voluntary Sector Scheme and further enhance the role of the sector in policy formation.

Tackling Child Poverty

We recognise that child poverty, including severe child poverty, is a matter of great concern, whilst recognising that progress has been made.

We underline again the need for cross-cutting policies and programmes to tackle child poverty (and the poverty experienced by those families and communities all over Wales within which poor children live). This government commits itself to developing Wales-specific solutions and to integrating strategies with appropriate programmes that are currently within the competence of the Westminster government. To this end:

- We will support the aim to halve child poverty by 2010 and eradicate child poverty by 2020.
- We will implement an extra Children's Bond for all children entering school.
- We will legislate to establish a duty on public agencies to make and demonstrate their contribution to ending child poverty.
- We will establish an 'expert group' to address the further and wider policy requirements necessary to meet the targets set in Eradicating Child Poverty in Wales – Measuring Success.
- We will instigate a robust evaluative review of the outcomes of existing anti-poverty programmes in Wales with the intention of building, where appropriate, on programme achievements while establishing robust and demonstrable outcome benchmarks and sound practice and evaluation methodologies for planned programmes (for example, Communities Next).
- We will, as part of this process, integrate the various available and salient datasets on the extent of child poverty in Wales and the outcomes of policy interventions and also audit and integrate, where possible, existing anti-poverty programmes such as Communities First, Flying Start, Job Centre Plus, Job Match etc.
- We will adopt the Wales Spatial Plan as an integrating tool in this policy area.
- We will establish credit unions – as a form of social enterprise – in all parts of Wales.
- We will, against the background of universal coverage ensure access to a credit union for every secondary school in Wales by 2011.
- We will further develop the ability of Welsh credit unions to take deposits of Child Trust Fund accounts.

Ensuring an Effective Youth and Criminal Justice System

We are firmly committed to tackling the root causes of problematic behaviour, wherever it occurs, in a robust way. We aim to prevent offending and re-offending amongst young people. We will also consider the potential for devolution of some or all of the criminal justice system.

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In our programme of government:

- We will continue prioritisation of preventative intervention and non-custodial solutions in relation to youth offending and youth justice matters (a) in the funding of these areas (b) in the use of diversion from custody strategies consistent with an emphasis on evidence on efficacy.
- We will consider effective models of cross-cutting practice between the youth justice system and education, housing and mental health services.
- We will consider the evidence for the devolution of the criminal justice system within the contexts of (a) devolution of funding and (b) moves towards the establishment of a single administration of justice in Wales.

8) A Sustainable Environment

Climate change is the greatest threat facing humanity. Everyone in Wales has a contribution to make in tackling it – individuals, households, businesses, public services and community groups. This government, through its commitment to sustainable development, must be at the forefront of that campaign.

Wales has a rich and diverse environment in rural and urban areas alike that needs to be protected and enhanced for people now and for generations to come.

The local environment matters and communities are blighted by littering, fly-tipping and pollution. We recognise the importance of the local environment, the effect on communities and will support its improvement to a high standard.

Wales is an energy rich country and we therefore have a role to play in producing energy from alternative sources. But we must also make every effort not to squander our precious resources, which means helping households and organisations across Wales to be more energy efficient.

Some areas of rural Wales are experiencing rapid economic, social and cultural change, facing unique challenges and having to adapt to new circumstances. We look forward to thriving rural communities, where people live and work and enjoy a high quality of life. We will provide support to those communities in the many different parts of rural Wales to build a new future.

We will not digress from playing our part in tackling global environmental challenges, in caring for our environment and in placing the family farm at the heart of our strategy for sustainable food production and rural development.

Our programme for government over the four year term will involve:

- Tackling climate change.
- Supporting rural development.
- Achieving sustainable energy production and consumption.
- Improving the local environment.

Tackling climate change

Climate change is a major global threat. We are resolved that this government and the people of Wales will play the fullest possible part in reducing its CO₂ emissions. This cannot be a short-term project – there must be radical changes in people's behaviour and their expectations which will require concerted action over the full four year term of the Assembly government.

- We will establish a Climate Change Commission for Wales which will be chaired by the Minister for Sustainability and Rural Development. It will include members from all four political parties, businesses, local government and voluntary sector groups. The Commission will assist with the development of new policies and the creation of consensus on climate change. It will work in partnership with Wales' representative on the UK Sustainable Development Commission.
- We will aim to achieve annual carbon reduction-equivalent emissions reductions of 3% per year by 2011 in areas of devolved competence. We will set out specific sectoral targets in relation to residential, public and transport areas. We will work with the heavy industry/power generation industries to reduce emissions in those sectors.
- We will commit to targets on the carbon neutrality of public buildings.
- We will provide support for indigenous woodlands, including a tree for all new babies and adopted children, helping to create a Welsh National Forest of native trees to act as a carbon sink.

Supporting Rural Communities

Rural communities across Wales are experiencing massive changes. Where necessary, they need support to thrive, adapt and diversify in order to achieve a better and more prosperous future. They need this support for the full term of the Assembly government.

To help rural areas of all kinds, we resolve that:

- We will submit a Rural Development Plan for 2007 – 2013 to the European Union, based on the level of Tir Mynydd funding agreed by the Assembly in March 2007, and develop a replacement scheme post 2010, including a new farm entrants scheme, taking into account the impact on other elements within Axis Two.
- We will set in motion a major initiative on local food procurement.

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- We will very shortly complete, publish and implement a Strategic Action Plan for the dairy industry.
- We will seek a derogation from EU Regulations to prohibit the burying of fallen stock on farm land.
- We will vigorously pursue a programme of bTB eradication.
- We will encourage work with the relevant local authorities to identify and address the particular needs of deep rural areas.
- We will make a commitment to maximum restrictions on GM crops.

Achieving Sustainable Energy Production and Consumption

Wales has long been a significant producer as well as a consumer of energy. We are committed to ensuring that Wales adapts to changing energy production in a sustainable way that brings benefits to Wales's people. We will:

- Draw up an Energy Strategy, which will be integrated with a planning framework, to include actions on energy efficiency, microgeneration, eco roofs, diversified renewable energy generation and biomass, an improved advisory service for citizens and communities, and support for a study on the proposed Severn Barrage, including its environmental impact.
- Continue to provide energy efficiency grants, including a non-means tested element within the context of a National Energy Efficiency and Savings Plan.
- We will, following production of an Energy Route Map and an Assembly government Energy Strategy, review TAN 8, revising upwards the targets for energy from renewables, drawn from a range of sources.
- We will promote research and development into renewable technologies including their application on-shore and off-shore.
- We will develop a support programme to promote energy efficiency and renewable energy production on-farm.
- We will explore the introduction of a grant scheme to convert to energy crops.

Improving the Local Environment

To achieve clean, healthy and sustainable local environments in which people can take pride:

- We will improve targets for recycling with legislation and support for better and more coordinated waste management.
- We will establish an initiative to support local authorities and voluntary action to improve the quality of their local environment.
- We will introduce compulsory Health Impact Assessments for open cast coal applications, together with buffer zones, and with an emphasis on planners and developers working closely with local communities.
- We will pursue the devolution of building regulations to the Assembly.
- We will create an all-Wales coastal path.

9) A Rich and Diverse Culture

We celebrate Wales as a community of diverse cultures: united for our common good, celebrating our many traditions, ensuring that Wales uses its two national languages to their full potential, and bringing people of all origins together.

We envisage wide participation in the full range of arts, cultural and sporting activities. Our aim is that high-quality cultural experiences are available to all people, irrespective of where they live or their background. We will celebrate and conserve Wales's outstanding heritage, of ordinary people and well-known artists, alike.

Wales is renowned across the world for the performance of its teams and sportsmen and women, from rugby to cycling to wheelchair athletes.

However, we need to broaden participation in sport and physical activity because of its significant health benefits. Our ambition is for a nation where everyone gets their recommended thirty minutes of exercise five times a week, and sporting clubs and teams are flourishing.

This programme of government involves:

- Supporting the Welsh Language.
- Promoting arts and culture.
- Encouraging sport and physical activity.
- Placing Wales in the World.

Supporting the Welsh Language

The Welsh language belongs to everyone in Wales as part of our common national heritage, identity and public good. We will work to ensure that more people, young and old, can learn Welsh and encourage it to thrive as a language of many communities all over Wales.

- We will be seeking enhanced legislative competence on the Welsh Language. Jointly we will work to extend the scope of the Welsh Language Legislative Competence Order included in the Assembly government's first year legislative programme, with a view to a new Assembly Measure to confirm official status for both Welsh and English, linguistic rights in the provision of services and the establishment of the post of Language Commissioner.
- We will drive forward our efforts to obtain agreement on the use of the Welsh language in specified areas of EU business. We will use this experience to explore with the Westminster government the making of an official application to the Council of Ministers for the Welsh language to receive official EU language and working language status.

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- We will expand the funding and support for Welsh-medium magazines and newspapers, including the establishment of a Welsh-language daily newspaper.
- We will support the dot.cym campaign to gain domain name status for Wales on the internet.
- We will continue research work into population shifts in order to promote balanced populations in all parts of Wales.

Promoting Arts and Culture

Our arts and culture programme widens access to Wales's many heritage, cultural and sporting activities so that low income should not be a barrier to participation. We will foster local cultural and sporting activity and support two major new centres. Wales's libraries will be dramatically improved so that they can develop free access to cultural materials for all, fit for the 21st century.

In this programme of government:

- We will ensure that opportunities to enjoy Wales's rich cultural and sporting activities are available to all, with continued free access to museums and galleries.
- We will establish a National English-language Theatre and explore the creation of a National Gallery for Wales.
- We will, by building on the success of free entry to museums and galleries, give Welsh pensioners and children free entry to Assembly-funded heritage sites.
- We will continue to implement the recommendations of the Stephens Review into the future development of the arts in Wales, so that there is a clear approach to setting strategic policy.
- We will place a statutory obligation on local authorities to promote culture and encourage partnership to deliver high-quality cultural experiences for their communities.
- We will support opportunities for Wales's artistic producers to participate on the international stage.
- We will consider enshrining the concept of *artistic freedom* in Welsh law, subject to the Assembly's new powers.
- We will continue to support the case for making St. David's Day a Bank Holiday.
- We will support establishing a Kyffin Williams gallery.
- We will establish an all-Wales Collection of People's History, backed by a permanent curatorial staff with responsibility for the promotion and development of the collection.
- We will, through working with local authorities, establish a major programme of capital investment and refurbishment of our public library network.

- We will continue to invest in improving ICT in libraries, including maintaining free, universal public access to the internet, to help bring them into the 21st century.

Encouraging Sport and Physical Activity

Seven out of ten people in Wales do not undertake enough physical activity to gain any health benefits. We will encourage greater participation by people of all ages and social backgrounds in grassroots sport. Recognising that physical activity other than sport is also beneficial to health, we will support greater participation in cycling and walking, and encourage the people of Wales, of all backgrounds, to enjoy the natural environment. Over the next four years:

- We will continue to fund schemes which have enabled older people and children to enjoy free swimming.
- We will significantly extend the children's scheme by giving all children the opportunity to use a sport or leisure facility or a swimming pool free of charge at weekends.
- We will provide extra support for sports bodies wishing to develop Welsh national teams.
- We will increase investment in school sport and boost after-school activities, including the continued support of Dragon Sport and schemes to improve the participation of girls.
- We will, in order to help boost grassroots sport we will train additional coaches to the latest standards and ensure that school children undertake at least five hours of physical activity each week.
- We will deliver a successful UK Schools Games in 2009, as part of the run-up to the 2012 Olympics – which will provide a platform to help our young athletes deliver their full potential.
- We will promote Wales's contribution to international sporting events, building on the opportunities of the Ryder Cup.
- We will work with Supporters Direct to help give Welsh fans of all sports a greater say in how their clubs are run.
- We will create more fun and healthier opportunities for mass participation in walking, cycling and running events.
- We will foster a sense of public ownership in relation to the countryside, urban green spaces and our coastline, recognising that many socially excluded groups do not currently enjoy their social, cultural and health benefits.

Placing Wales in the World

As this document ends, we turn to the Wales which we will attempt to fashion over the next four years – a confident and out-going nation where we recognise the strength of our own identity and the part which we can

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play in the world. We envisage a Wales which is increasingly known and recognised throughout the globe, and in which Wales is a country to which the world is increasingly welcomed.

Many Welsh men and women are already renowned for their outstanding contributions in the fields of film, music, literature and industry. The next four years will provide some great opportunities to welcome into Wales events which take place on that world stage – an Ashes test match in 2009, the Ryder Cup in 2011. For whole weeks at a time, Wales will be in the living rooms of nations right around the globe.

Sport, of course, is only one of the ways in which the world will come to Wales. In a globalising economy, those places which will prosper in the future will be those which offer the clearest sense of stability, sustainability and identity. When information flows around the globe in nano-seconds, so that it no longer matters if your desk is in Hirwaen or Honolulu, Snowdonia or Singapore, it will be the attractions of local natural assets – of coast and climate, of scale and cultural infrastructure – which will provide an economic edge.

In a world where people and organisations can go anywhere, the *somewhere* has to be not just another anonymous spot on the world's surface but a place which offers a sense of identity which is confident and out-going, and a quality of life beyond the workplace which sustains a sense of creativity and well-being: in other words, the Wales we hope to foster during the lifetime of this agreement. Over the next four years:

- We will widen Wales' membership and effectiveness in appropriate international bodies, including institutions associated with the European Union.
- We will support the campaign for Wales to become a fair trade nation.
- We will enhance Wales's role in key European organisations and networks such as the Committee of the Regions, the Regions with Legislative Power and the Conference of Peripheral and Maritime Regions.
- We will continue to build on the work already done to raise the international profile of Wales, to make Wales a location of choice for people to live, work, study, visit and do business.
- We will continue to make our contribution to the achievement of the United Nations Millennium Development Goals, with support for the Wales for Africa programme and its international development fund.
- We will work hard to ensure that Wales becomes a strong international trading nation and a valued partner in international relationships.

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- We will develop a more strategic approach to putting Wales on the world map, bringing greater coherence to the breadth of the Assembly government's overseas activities and representation, and working with other Welsh interests outside government to maximise the impact and benefit to Wales.
- We will develop and promote the Wales Brand in the context of a coherent marketing and public diplomacy framework.
- We will engage with Welsh interests overseas – diaspora, alumni, business – to derive maximum benefit from the as-yet untapped resource they can contribute to our international agenda.
- We will work actively within the re-affirmed Memorandum of Understanding, signed with Patagonia (Chubut Province) in March 2007.

10) Governance Arrangements

Guiding principles

The parties' objective is to form and maintain in partnership the devolved Government of Wales, until the dissolution of the Assembly before the election in 2011 with its Ministers holding office in accordance with the provisions of the Government of Wales Act.

To work effectively, to deliver their Programme, and to achieve their shared common goals, the parties will need good will, mutual trust, and agreed procedures which foster collective decision-making and responsibility while respecting each party's distinct identity.

The principles of good faith and fairness will underpin the two parties' approaches to all aspects of the conduct of the Government's business, including the allocation of responsibilities; the Government's policy and legislative programme; the Government's budget; the conduct of business and the resolution of disputes.

Close consultation between the First Minister, Deputy First Minister; other Ministers; and the AMs of the two parties will be the foundation of the Government's success.

Collective Responsibility

Collective responsibility is accepted by the parties to mean that all the business of the Government, including decisions, announcements, expenditure plans, proposed legislation and appointments, engages the collective responsibility of the Government as a whole and must be handled with an appropriate degree of consultation and discussion so as to ensure the support of all Ministers in a

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collective basis. Ministers have the opportunity to express their views frankly before decisions are made; opinions expressed and advice offered within the Government remain private (subject to the provisions of the Freedom of Information Act); decisions of the Government are binding on and supported by all Ministers; and that mechanisms for sharing information and resolving disputes are followed.

To achieve this, the Government will update and publish the Welsh Ministerial Code and produce a protocol for the Coalition Government to incorporate the principles of collective decision-making and the procedures to be followed to promote the good conduct of business, drawing on best practice elsewhere.

Portfolios

The initial structure of portfolios and their allocation between the parties will be agreed between the First Minister and the Deputy First Minister. Within this context, the First Minister will, with the approval of the Queen, formally appoint Ministers, including Plaid Cymru members nominated for appointment by the Deputy First Minister.

The portfolios and the names of the Ministers, as well as any alter changes, will be announced to the Assembly in plenary session at the earliest opportunity.

Any changes to the structure of portfolios or their allocation between the parties during the lifetime of the Agreement will be agreed between the First Minister and Deputy First Minister.

Before seeking the approval of the Assembly to the nomination of a Counsel General, the First Minister will agree the proposed nomination with the Deputy First Minister.

The Roles of the First and Deputy First Minister

The parties agree that, subject to the nomination of the Assembly and the approval of The Queen, the Leader of Labour in the National Assembly will be nominated as the First Minister and the leader of Plaid Cymru will be appointed as Deputy First Minister.

The First Minister will be responsible to the Assembly for all aspect of policies and retains ultimate responsibility for all policies. However, in order to provide consistency across portfolios and the need to engage the two parties of the coalition government, both the First Minister and Deputy First Minister will be

engaged in policy presentation. Such arrangements will include deputising for the First Minister in the Assembly and making public announcements.

It is essential that both the First Minister and the Deputy First Minister are kept fully and promptly informed across the range of Government business, so that they can engage in any issue where they consider that appropriate. The procedures to be established for handling business within the Government will require officials to copy all relevant material to the offices of the First Minister and the Deputy First Minister.

The First Minister and the Deputy First Minister will have appropriate official, political and specialist support to enable them to discharge their roles effectively. A Cabinet Committee will be formed comprising the First Minister, Deputy First Minister, Business Minister, and the Business Manager of the other party.

The Committee's responsibility is to ensure the effectiveness of the Coalition Government. The Committee will:

- Monitor implementation of their programme.
- Agree the participation of the partnership parties in public appointments made by government when appropriate.
- Co-ordinate the presentation of Government policies, initiatives and statements within the National Assembly and externally.
- Ensure that procedures are in place for the involvement of all the partnership parties in major Government announcements.
- Subject to external restraints, agree the representation of the Government in all dealings with the Secretary of State for Wales; other UK Government Ministers; other institutions at UK/EU/International level.

Shared Financial Governance

A Cabinet Committee on Finance will be formed comprising the First Minister, Deputy First Minister, the Finance Minister and the finance spokesperson of the other party which, amongst its other responsibilities, will meet to discuss the overall resource position and strategic spending priorities before the end of July in each year.

The Cabinet Committee will be responsible for the continuous process of financial monitoring and control including key resource allocation formulas.

The Parties' Support for the Government in the Assembly

The parties should aim to agree on all matters of Government policy. Both parties are committed to constructive dialogue between Ministers and backbenchers to build a strong partnership.

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The two Assembly parties will operate in support of the Coalition Government on all issues covered by this Agreement. Whilst each will make its own business management arrangements to ensure effective party support for the Government, the Business Minister and the business manager of the other party will consult and co-operate with each other to ensure the delivery of the Government's programme.

Whilst preserving the independence of the committee system, members of the two parties serving on the same committee will co-operate as far as the formal business and legislation of the Government is concerned. Matters of new Government policy outside this Agreement must be agreed by both parties. In all portfolios, Ministers will meet regularly with the nominated spokesperson or lead backbencher from the two parties to discuss policy. Any disagreement should be referred through internal party mechanisms until all parties agree.

Neither of the parties will support spending proposals brought before the Assembly other than by the Government or covered by this Agreement unless considered and agreed by both party groups.

The parties will agree and put in place appropriate political arrangements to facilitate an effective working relationship at all levels, including AMs of both parties who are not Ministers.

Matters reserved to the UK Parliament, other than those mentioned in this Programme, are outside the scope of this Agreement. Whenever necessary, the parties will decide, through the Cabinet Committee, how to deal with such matters on a case-by-case basis.

Distinctive Identities

The two parties recognise the need for parties to be able to maintain distinctive political identities in Government and in the National Assembly. They will therefore develop processes for:

- Ensuring appropriate credit which recognises the policy contribution of each party; and.
- The expression of different views publicly and in the National Assembly in a way which does not undermine the principles of collective responsibility and good faith or the basis of partnership working set out in this Agreement.

Disputes

The parties' objective is that this Agreement will remain in place until the dissolution of the Assembly before the election in 2011. To achieve this, they will

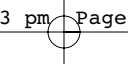
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make every effort to resolve any disagreements which may arise, particularly those which threaten its continued operation.

Where a dispute arises between the partnership parties, or Ministers of the two parties, the matter will be referred to the Cabinet Committee for resolution by consensus.

Ratification of This Agreement

The parties will ratify this Agreement according to their own internal procedures. The Agreement will come into effect after ratification immediately on signature by the partnership party leaders.



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