# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

|  |  |
| --- | --- |
| **TITLE**  | **The General Power of Competence (Commercial Purpose) (Conditions) (Wales) (Amendment) Regulations 2022 and the Local Government (Relevant Authorities) (Power to Trade) (Wales) Order 2022** |
| **DATE**  | **06 April 2022** |
| **BY** | **Rebecca Evans MS, Minister for Finance and Local Government** |

Under the Local Government and Elections (Wales) Act 2021 (“the Act”), qualifying local authorities may exercise the general power of competence. As of 1 November 2021, this only applies to principal councils. From 5 May 2022, this will also apply to eligible community councils. The conditions for their eligibility are specified under section 30 of the Act.

The exercise of the general power for a commercial purpose is subject to conditions set out in section 27 of the Act, including the requirement to trade through a company. Section 28 of the Act provides the Welsh Ministers with a power to make regulations to provide for the exercise of the general power to be subject to (further) conditions. The General Power of Competence (Commercial Purpose) (Conditions) (Wales) Regulations 2021 (“2021 Regulations”) came into force on 1 November 2021 and require principal councils to prepare and publish a business case before they exercise the power for a commercial purpose and other connected requirements. As the general power is to be extended to eligible community councils from 5 May 2022, the 2021 Regulations have been amended to extend the requirements of the 2021 Regulations to eligible community councils.

Separately, the Local Government (Best Value Authorities) (Power to Trade) (Wales) Order 2006 authorises principal councils, fire & rescue authorities (FRA) and National Park authorities (NPA) in Wales to trade, through a company, in their ordinary functions – other than those which the authority is obliged by law to provide. Following consultations, this Order is to be updated to include Corporate Joint Committees and eligible community councils as ’relevant authorities’. It makes similar provision to the 2021 Regulations and will require that such relevant authorities must prepare and approve a business case in support of the proposed exercise of the power and other connected requirements

I am pleased to inform Members that I have now laid before the Senedd the General Power of Competence (Commercial Purpose) (Conditions) (Wales) (Amendment) Regulations 2022 and the Local Government (Relevant Authorities) (Power to Trade) (Wales) Order 2022.

These will both come into force date on 5 May 2022.