WALES BILL
EXPLANATORY NOTES

What these notes do

These Explanatory Notes relate to the Wales Bill as introduced in the House of Commons on 7 June 2016 (Bill 5).

- These Explanatory Notes have been prepared by the Wales Office in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by Parliament.

- These Explanatory Notes explain what each part of the Bill will mean in practice; provide background information on the development of policy; and provide additional information on how the Bill will affect existing legislation in this area.

- These Explanatory Notes might best be read alongside the Bill. They are not, and are not intended to be, a comprehensive description of the Bill. So where a provision of the Bill does not seem to require any explanation or comment, the Notes simply say in relation to it that the provision is self-explanatory.
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Overview of the Bill

1 The Wales Bill will implement those elements of the St David’s Day agreement which require legislative changes. It will create a clearer and stronger settlement in Wales which is durable and long-lasting.

2 The Bill is an enabling Bill and the majority of the provisions in the Bill set out the powers that are being transferred to the National Assembly for Wales (the Assembly) and or the Welsh Ministers.

3 In particular the Wales Bill amends the Government of Wales Act 2006 (GoWA) by moving to a reserved powers model for Wales. This is the model that underpins the devolution settlement in Scotland. The reserved powers model set out in the Bill will provide a clearer separation of powers between what is devolved and what is reserved, enabling the Assembly to legislate on any subject except those specifically reserved to the UK Parliament.

4 The Bill includes a declaration that the Assembly and the Welsh Ministers are considered permanent parts of the UK’s constitutional arrangements and will not be abolished without a decision of the people of Wales, and that the UK Parliament will not normally legislate in devolved areas without the consent of the Assembly, whilst retaining the sovereignty to do so.

5 The Bill also devolves further powers to the Assembly and the in areas where there was political consensus in support of further devolution. These include:

   a. Devolving greater responsibility to the Assembly to run its own affairs, including deciding its name.

   b. Devolving responsibility to the Assembly for ports policy, speed limits, bus registration, taxi regulation, local government elections, sewerage and energy consenting up to 350MW (see below for additional detail);

   c. Devolving responsibility to Welsh Ministers for marine licensing and conservation and energy consents in the Welsh offshore region; and extending responsibility for building regulations to include excepted energy buildings;

   d. Devolving power over all elements of Assembly elections; and

   e. Devolving powers over the licensing of onshore oil and gas extraction.

Policy background

6 The Government established what became known as the St David’s Day process in November 2014. Its aim was to determine where there was political consensus to implement the recommendations of Sir Paul Silk’s Commission on Devolution in Wales second report (Silk II) on the powers of the Assembly. The process also looked at whether there was political consensus to implement for Wales some elements of the Smith Commission proposals for Scotland.

7 The command paper, Powers for a purpose: Towards a lasting devolution settlement for Wales, published on 27 February 2015, set out the recommendations on which there was political consensus. Those recommendations requiring legislative change were included in the draft Bill which was published on the 20 October 2015 for pre-legislative scrutiny. The Bill as introduced includes changes that have been made as a result of that scrutiny process and changes that

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have been made as a consequence of discussions with the Welsh Government and the Assembly Commission.

8 The St David’s Day process also examined some of the powers which are being devolved to Scotland under the Smith Commission agreement. The Bill takes forward two significant commitments from this exercise around which there was strong political consensus. These are devolving all powers in relation to Assembly elections, including the electoral system, conduct, franchise and registration and devolving the licensing of onshore oil and gas extraction (including shale gas licensing).

9 The St David’s Day agreement also committed the Government to examine whether there was a strong case to implement for Wales any of the other recommendations from the Smith Commission. As a result of this work the Bill includes :-

- provision giving a formal consultative role to the Welsh Government and Assembly in designing renewables incentives and OFGEM strategic priorities;

- a duty on OFGEM to lay annual report and accounts before the Assembly, submit reports, and appear before Assembly Committees;

- the devolution of responsibility for mineral access rights for underground onshore extraction of oil and gas in Wales; and

- the devolution of powers to the Assembly to set gender quotas in respect of public bodies in Wales and the devolution of traffic signs.

Legal background
10 The Bill is an enabling Bill which changes the basis on which the legislative competence of the Assembly and the powers of Welsh Ministers are defined, moving from a conferred powers model to a reserved powers model.

Territorial extent and application
11 The Bill extends to the whole of the UK. However, the territorial extent of a Bill can be different from its application. Application is about where a Bill produces a practical effect. The details of this Bill’s application are set out in the following paragraphs.

12 The majority of the Bill clauses apply to the whole of the UK as they are of constitutional significance by devolving powers away from the UK Parliament and Secretaries of State.

13 The only exceptions to this are clauses 8-15 (which relate to the Assembly’s internal arrangements and therefore only apply to Wales) and clause 44 (which applies to England and Wales because it relates to sewerage in England being affect by what happens in Wales).

Part 1: Constitutional arrangements (clauses 1-7 and 16-21)

14 These clauses not only make constitutional provision about the status of the Welsh devolution settlement (clauses 1-2), but they also set out the matters that are to be devolved from Parliament and Secretaries of State to the Assembly and Welsh Ministers (clauses 3-7 and 16-21). They extend and apply to the whole of the UK.

There is a convention that Westminster will not normally legislate with regard to matters that are within the legislative competence of the Welsh Assembly, the Scottish Parliament, or the

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Northern Ireland Assembly without the consent of the legislature concerned, through a legislative consent motion ("LCM"). An LCM is not required in the Scottish Parliament or the Northern Ireland Assembly for clauses 1-7 and 16-21, given (i) the constitutional significance of these clauses and (ii) the fact that Wales and Welsh devolution arrangements are not matters within the legislative competence of the Scottish Parliament or the Northern Ireland Assembly. However, the majority of these clauses trigger the need for an LCM in the Welsh Assembly as they relate to the competence of the Assembly and Welsh Ministers. Part 2: Legislative and executive competence: further provisions (clauses 22-46)

15 These clauses make further provision about the matters that will form part of the Assembly’s legislative competence and the Welsh Ministers’ executive competence. For the same reason as set out in relation to clauses 1-7 and 16-21 above, it is not considered that Part 2 of the Bill includes any provisions that require an LCM in the Scottish Parliament or the Northern Ireland Assembly. However, given their effect on the powers of the Welsh Assembly and Welsh Ministers, the majority of these clauses require an LCM in the Welsh Assembly.

16 Part 3: Miscellaneous (clauses 47-50)

17 Clause 47 allows the Office for Budget Responsibility to request Welsh public finance information from devolved bodies. Clauses 48-50 provide for the role of Welsh Ministers in relation to Ofgem, the Coal Authority and Ofcom. Neither the Scottish Parliament nor the Northern Ireland Assembly could make equivalent provision in relation to the four bodies provided for in these clauses, therefore LCMs in Scotland and Northern Ireland will not be required. As this relates to the role of Welsh Ministers, an LCM will be required in the Welsh Assembly.

18 See the table in Annex A for a more detailed summary of the position regarding territorial extent and application in the United Kingdom. The table also summarises the position regarding LCMs and matters relevant to Standing Orders Nos. 83J to 83X of the Standing Orders of the House of Commons relating to Public Business.
Commentary on provisions of the Bill

Part 1: Constitutional Arrangements

Chapter 1: Permanence of the National Assembly for Wales and Welsh Government

Clause 1: Permanence of the National Assembly for Wales and Welsh Government

19 Clause 1 inserts a new Part 2A, with new sections 92A and 92B, into GoWA.

20 Section 92A provides that the Assembly and the Welsh Government are permanent parts of the United Kingdom’s constitutional arrangements, and that those institutions cannot be abolished except on the basis of a decision of the people of Wales in a referendum.

21 Subsection (1) provides that the Assembly and the Welsh Government are permanent parts of the United Kingdom’s constitutional arrangements.

22 Subsection (2) sets out that the purpose of this section is to signify the commitment of the UK Parliament and UK Government to the Assembly and Welsh Government.

23 Subsection (3) of section 92A provides that, in view of that commitment, the Assembly and the Welsh Government are not to be abolished except on the basis of a decision of the people of Wales in a referendum.

24 Section 92B recognises the existence of Welsh law.

25 Subsection (1) confirms that there is a body of Welsh law made by the Assembly and Welsh Ministers. The law made by the Assembly and Welsh Ministers is clearly only part of the law that applies in Wales.

26 Subsection (2) explains that the purpose of making this declaratory statement does not in any way affect the devolution boundary and in particular the fact that the single legal jurisdiction is a reserved matter. However, it is nevertheless recognised that the legislation made by the Assembly and Welsh Ministers forms part of the law of England and Wales.

Chapter 2: Convention about Parliament legislating on devolved matters

Clause 2: Convention about Parliament legislating on devolved matters

27 Clause 2 inserts subsection (6) into section 107 of GoWA so it is recognised in statute that, although the sovereignty of the UK Parliament is unchanged by the legislative competence of the Assembly, the UK Parliament will not normally legislate for devolved matters in Wales without the Assembly’s consent.

Chapter 3: Legislative competence

Clause 3: Legislative competence

28 Clause 3(1) replaces current section 108 of GoWA with a new section 108A. The new section sets out the limits on the legislative competence of the Assembly.

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29 Subsections (1)-(7) of new section 108A define how the legislative competence of provisions in Assembly Acts is to be assessed.

30 Subsection (1) of new section 108A replicates section 108(2) to provide that an Act of the Assembly is not law so far as any of its provisions is outside the legislative competence of the Assembly.

31 Subsection (2) of new section 108A sets out that a provision in an Assembly Act is outside competence if any one of the paragraphs (a)-(e) apply. There are five separate and independent tests for an Assembly Act provision to satisfy before it will be within competence. If any one of the following five paragraphs applies to an Assembly Act provision, it will be outside competence. Flowcharts 1 and 2 at Annex B below explain further how the five tests in paragraphs (a)-(e) are to be applied.

a. Paragraph (a) replicates section 108(6)(b) of GoWA and provides that an Assembly Act provision will be outside competence if it extends beyond England and Wales. This reflects the existing limitation that an Assembly Act provision cannot form part of a legal system other than the unified jurisdiction of England and Wales.

b. Paragraph (b) provides that an Assembly Act provision will be outside competence if it applies otherwise than in relation to Wales or confers, imposes, modifies or removes functions exercisable otherwise than in relation to Wales. However, new subsections (3), (4), (5) and (7) together make up the exception to paragraph (b), whereby an Assembly Act provision can apply otherwise than in relation to Wales. See below for further explanation of these subsections.

c. Paragraph (c) provides that an Assembly Act provision will be outside competence if it relates to any of the reserved matters, as set out in Schedule 7A, having regard to the exceptions listed in that Schedule. “Relates to” is to be interpreted in accordance with the purpose test in subsection (6).

d. Paragraph (d) provides that an Assembly Act provision will be outside competence if it breaches any of the restrictions set out in Part 1 of Schedule 7B, but subject to the exceptions in Part 2 of Schedule 7B. It is important not to conflate this paragraph (d) test with the separate test in paragraph (c) above. For example, even though an Assembly Act provision may satisfy paragraph (c) by not relating to a reserved matter, it may nevertheless be outside competence by breaching the restrictions in Schedule 7B.

e. Paragraph (e) replicates section 108(6)(c) of GoWA and provides that an Assembly Act provision will be outside competence if it is incompatible with the Convention rights or with EU law.

32 Subsection (3) of new section 108A provides an exception to new subsection (2)(b) so that an Assembly Act provisions can apply otherwise than in relation to Wales if it is:

a. ancillary (defined in new subsection (7)) to a provision in an Assembly Act or Measure or to a “devolved provision” (defined in subsection (4) below) in an Act of Parliament; and

b. has no greater effect otherwise than in relation to Wales than is necessary to give effect to the provision.

33 “Wales” is defined in section 158(3) of GoWA and does not include the Welsh zone beyond the territorial sea. Existing provision in Assembly Acts apply to England if they satisfy the test in section 108(5) of GoWA. Once the Bill is in force, an Assembly Act provision will need to

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satisfy the test in section 108A(3) before it can apply beyond Wales. Some bodies listed as Wales public authorities (see clause 4) may also exercise a limited number of functions in relation to England.

34 Subsection (4) provides that, for the purposes of subsection (3)(a), a "devolved provision" in an Act of Parliament is one that would be within the Assembly’s legislative competence. However, in applying this test, paragraphs 8-11 of Schedule 7B are to be ignored. Paragraphs 8-11 require Secretary of State consent for Assembly Act provisions that alter certain reserved authorities’ functions. Such Secretary of State consent would never be required for an Act of Parliament which is why paragraphs 8-11 of Schedule 7B are to be ignored when assessing whether a provision in an Act of Parliament would be within the Assembly’s legislative competence.

35 Subsection (5) of new section 108A clarifies that, in determining what is "necessary" for the purposes of subsection (3)(b), it is not relevant that the UK Parliament could itself have enacted the provision.

36 Subsection (6) of new section 108A replicates section 108(7) of GoWA to include the so-called 'purpose test', which provides that, for the purposes of subsection (2)(c), the question of whether an Assembly Act provision "relates to" a reserved matter, is to be determined by reference to the purpose of the provision, having regard (among other things) to its effect in all the circumstances.

37 Subsection (7) of new section 108A defines "ancillary" for the purposes of GoWA. The term "ancillary" is used in section 108A(3)(a) (as inserted by clause 3), section 130A(4) (as inserted by clause 12), paragraph 6(2) of Schedule 7A (as inserted by Schedule 1), and paragraphs 2(1) and 5(3)(b) of Schedule 7B (as inserted by Schedule 2). The definition is based on the wording that is currently in section 108(5) of GoWA. A provision is considered ancillary to another if it:

   a. provides for the enforcement of the other provision, or is otherwise appropriate for making that provision effective, or

   b. is otherwise incidental to, or consequential on, that provision.

38 Clause 3(2) replaces Schedule 7 to GoWA with new Schedules 7A and 7B. Schedules 7A and 7B are as set out in Schedules 1 and 2 to the Bill respectively.

**Schedule 1: New Schedule 7A to the Government of Wales Act 2006**

39 New Schedule 7A sets out the reserved matters for the purposes of section 108A(2)(c), as inserted by clause 3(1) of the Bill. Clause 3(2) provides that this Schedule, together with new Schedule 7B, replaces Schedule 7 to GoWA.

40 The following terms are used in Schedule 7A to describe the subject matters that are reserved to the UK Parliament and those which are devolved to the Assembly:

   a. Reservation: A reservation is a description of a subject matter, in relation to which only the UK Parliament can pass primary legislation (and any secondary legislation enabled by provision in an Act) as regards Wales. Any subject not reserved, is devolved to the Assembly (but, see carve out below). The reservations may, because of the fairly broad terms in which they are described, include some matters that are intended to be devolved. Such matters are therefore listed as an exception.

   b. Exception: An exception to a reservation describes a subject which would otherwise form part of the reservation but is excepted, so that it is within the Assembly’s legislative competence. Exceptions are specific to the individual reservations under which they are listed; they are not of general application (see paragraph 12 of

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Schedule 7A).

c. Carve Out: A carve out is a specific matter which would otherwise form part of the exception, if it were not effectively ‘re-reserved’ to the UK Parliament by being carved out of the exception.

41 The reservations, less the exceptions, plus the carve outs equals the totality of the matters reserved to the UK Parliament. Similarly, the exceptions (having regard to the carve outs) plus the subjects not mentioned anywhere in Schedule 7A equals the totality of the subject matters devolved to the Assembly. However, even where an Assembly Act provision does not relate to a reserved matter, this is only one part of the legislative competence test (section 108A(2)(c)) and an Assembly Act provision must of course also satisfy the tests in paragraphs (a), (b), (d) and (e) in section 108A(2).

42 As an example of the three categories of subject see Section E2 of Schedule 7A:

   a. Reservation: “Railway services” (reserved).

   b. Exception: “Financial assistance so far as relating to railway services” (devolved).

   c. Carve out: “but this exception does not apply to financial assistance relating to the carriage of goods” (reserved).

43 Part 1 of Schedule 7A lists the general reservations, whereas Part 2 lists the specific reservations.

Part 1 - GENERAL RESERVATIONS

The Constitution

44 Paragraph 1 provides that certain aspects of the Constitution are reserved matters. These aspects are:

   (a) the Crown, including the succession to the Crown and a regency,

   (b) the union of the nations of Wales and England,

   (c) the Parliament of the United Kingdom.

45 The general reservation of “the Crown” in paragraph 1 includes the reservation of Crown property, of the Crown’s private property and the Crown Estate, and matters such as honours and appointments.

46 Paragraph 2 provides for exceptions to be made from that basic reservation; it also clarifies the scope of what is excepted and what is reserved.

47 Paragraphs 2(1)(a) and 2(1)(b) provide that paragraph 1 does not reserve Her Majesty’s executive functions or functions exercisable by any person acting on behalf of the Crown. This enables the Assembly to legislate about those functions where they do not relate to other reserved matters.

48 Paragraph 2(1)(c) provides that paragraph 1 does not reserve the use of the Welsh Seal. The creation of a Welsh Seal is provided for under Section 116(1) of the GoWA. That Act also provides that the First Minister is to be the Keeper of the Welsh Seal (section 116(2)) and that the Seal is to be used in connection with the Royal Assent to Assembly Bills (section 115(4)). By paragraph 13 of Part 1 of Schedule 7 to that Act the Assembly is able to provide that the Welsh Seal should have other uses; by paragraph 2(1)(c) the Assembly retains legislative competence...
as regards the Welsh Seal.

Paragraph 2(2) provides that paragraph 2(1) does not affect the reservation by paragraph 1 of the management of the Crown Estate in accordance with any enactment regulating the use of land. This ensures that the Assembly cannot legislate about the Crown Estate Commissioners or their functions of managing the Crown property, rights and interests known as the Crown Estate under the Crown Estate Act 1961.

Paragraph 2(3) provides that paragraph 2(1) does not affect the reservation by paragraph 1 of the functions of the Security Service, the Secret Intelligence Service and the Government Communications Headquarters. This supplements the reservations in Section B3 (national security and official secrets) of the Schedule.

Paragraph 2(4) clarifies that, in paragraph 2, the meaning of “executive function” does not include:

(a) a function conferred or imposed by any legislation or the prerogative;

(b) a function conferred or imposed as a result of any legislation or the prerogative

Public service

Paragraph 3 states that the Civil Service of the State is a reserved matter. The Civil Service includes the Home Civil Service and the Diplomatic Service. The effect is that the Assembly is not able to legislate about matters relating to Civil Servants in Wales, including their recruitment, selection, management, conduct, discipline, numbers, grading and terms and conditions of service. Matters relating to Civil Service pensions are reserved by Section F4 of the Schedule.

The Home Civil Service is ultimately regulated by the Royal Prerogative, and its management has been delegated to the Minister for the Civil Service. The Civil Service Management Code is issued under the authority of the Civil Service Order in Council 1995. Under the Civil Service (Management Functions) Act 1992, the Minister for the Civil Service has further delegated management functions to Ministers and office holders in charge of Departments. These include the authority to prescribe qualifications for appointment as Civil Servants, to determine the number and grading of posts (outside the Senior Civil Service) in such Departments and a wide range of other management functions.

Political parties

Paragraph 4 reserves the registration of political parties and the funding of political parties, including accounting requirements, although paragraph 5 excludes from this the making of payments to any political party for the purpose of assisting members of the Assembly to perform their Assembly duties. Section 24 of GoWA makes provision for financial assistance to groups of Assembly members.

Single legal jurisdiction of England and Wales

This paragraph reserves the single legal jurisdiction of England and Wales so as to reserve the core elements of the shared legal system of England and Wales. This includes the courts, judges, civil and criminal proceedings, pardons for criminal offences, private international law and judicial review of administrative action.

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This maintains the common court structure and judiciary in England and Wales as well as common rules on civil and criminal proceedings including bail, costs, custody pending trial, disclosure, enforcement, evidence (which include rules on burden and standard of proof), procedure, limitation of actions, prosecutors and remedies.

The reference to sentencing in paragraph 6(1)(c) of Schedule 7A protects the decision-making process the judge must follow in sentencing. This would involve, for example, the requirements set out in the Criminal Justice Act 2003 (CJA 2003) to consider the purposes of sentencing; to take into account the statutory aggravating factors; to follow sentencing guidelines; to decide whether the community order or custody threshold is passed; and to impose a sentence commensurate with the seriousness of the offence.

By virtue of paragraph 6(1)(d), the Assembly is not able to legislate to pardon people for criminal offences.

Paragraph 6(1)(e) reserves private international law so that the way the single jurisdiction of England and Wales deals with laws from other jurisdictions is reserved and paragraph 6(1)(f) reserves judicial review of administrative action.

Sub-paragraphs 6(2) and (3) enable, by way of exception, the Assembly to provide for certain appeals or applications relating to a civil, devolved matter to be made to a court, where this is ancillary to a provision of an Act of the Assembly or an Assembly Measure and not otherwise dealt with by a Tribunal in paragraph 7 or existing civil appeal to a Court. The exception does not apply to appeals or applications in criminal proceedings.

**Tribunals**

This section reserves tribunals, including membership of tribunals, appointment and remuneration of tribunal members, tribunal functions, tribunal procedure and appeals against tribunal decisions. It does not reserve any devolved tribunal (a tribunal which has exclusively devolved functions exercisable only in Wales) (paragraph 7(2)). Nor does it reserve any application or appeal which relates to a devolved matter (and is not an appeal against the decision of a tribunal other than a devolved tribunal) in the case of a tribunal which has devolved functions and reserved functions (paragraph 7(3)).

The Tribunals, Courts and Enforcement Act 2007 is the main statute in relation to tribunals. It establishes the First-tier Tribunal and Upper Tribunal in England and Wales and makes provision with respect to their membership and composition, functions, jurisdiction, appeals and procedure.

**Foreign affairs etc.**

Paragraph 8(1) reserves foreign affairs. The areas reserved include regulation of international trade, international development assistance and co-operation and international relations. International relations encompass relations with the European Union and its institutions, relations with territories outside the UK and with other international organisations. This means that the conduct of international relations, including conduct of relations with the European Union are matters reserved to the UK Parliament and UK Government.

Certain areas fall outside the scope of the reservation. Sub-paragraph (3)(a) provides that these areas include observing and implementing international obligations, obligations under the Human Rights Convention and obligations under EU law. EU law and international obligations are defined in section 158(1) of the 2006 Act. The Human rights Convention is defined in paragraph 8 as meaning the Council of Europe’s Convention for the Protection of Human rights and Fundamental Freedoms and its Protocols. The effect of sub-paragraph (3)(a) is that the Assembly will be able to legislate for the purpose of observing and giving effect to...
those obligations so far as they relate to devolved matters.

65 In relation to executive competence in this area, no power has been conferred on Welsh Ministers to implement international obligations. Section 82 of GoWA gives the Secretary of State the power to direct Welsh Ministers both to desist from any action incompatible with international obligations or that action is required by them to give effect to such obligations. Section 114 of GoWA gives the Secretary of State the power to make an intervention order if provisions in an Assembly bill are incompatible with any international obligation. Section 81 limits the power of Welsh Ministers to make subordinate legislation that is incompatible with Convention rights.

66 Further, certain enactments are protected from modification by the Assembly by virtue of paragraph 5 of new Schedule 7B to GoWA. These include the European Communities Act 1972 and the Human Rights Act 1998.

Defence

67 Paragraph 9 reserves all matters relating to defence and the armed forces. Defence includes matters relating to the armed forces (including for example, their equipment, resources and deployment), defence policy, strategy, planning and intelligence, and plans for the maintenance of essential supplies and services in case of war.

68 The reservation will not however prevent the Assembly from conferring enforcement powers on persons other than members of the naval, military or air forces of the Crown (including reserve forces), in relation to sea fishing.

69 Paragraph 9(1)(a) reserves the defence of the realm. The defence of the realm is a supplementary concept to that of the armed forces (which are identified separately, see below) designed to cover all the matters for which the Ministry of Defence is responsible, for defence purposes. These matters include the various defence establishments and contractors carrying out work for defence purposes; the Ministry of Defence Police and the services cadet forces (which do not form part of the armed forces but serve defence purposes), and special provisions for the acquisition, use or disposal of land and property for defence purposes.

70 Paragraph 9(1)(b) reserves the naval, military and air forces of the Crown, including reserve forces. This makes it clear that all matters concerned with the armed forces themselves are reserved. This includes their command, establishment, maintenance, organisation, staffing and funding and all matters connected with the enlistment, management, disciplining and pay and conditions and allowances of both the military and civilian components of the armed forces. This reservation also covers the creation of offences relating particularly to the armed forces (for example, the unauthorised wearing of military uniforms), matters concerned with the territorial, auxiliary and volunteer reserve associations, special provisions relating to the status of members of the armed forces and the disclosure of information on military activities. The reservation also covers benefits to members and former members of the armed forces and their dependants and the matter of war graves. Equipment and explosives research for the purposes of the armed forces are also covered.

71 Paragraph 9(1)(c) reserves all matters relating to visiting forces. These are the armed forces of other countries visiting or based in the UK, including both their military and civilian components.

72 Paragraph 9(1)(d) reserves international headquarters and defence organisations. This is simply to make clear that matters concerned with headquarters or organisations designated for the purposes of the International Headquarters and Defence Organisations Act 1964 are reserved.
Paragraph 9(1)(e) reserves trading with the enemy and enemy property. This covers matters relating to the control of trade with the enemy and the confiscation, control or administration of enemy property. These matters are all aspects of the conduct of war and the conclusion of peace.

Paragraph 9(2) provides that the conferral of enforcement powers on a person in relation to sea fishing is not reserved except in the case of a person who is a member of the naval, military or air forces of the Crown, including reserve forces. This paragraph does not alter the existing devolution position. Certain members of the naval, military or air forces of the Crown automatically have enforcement powers in relation to sea fishing conferred on them as marine enforcement officers as a consequence of the Marine and Coastal Access Act 2009. Under the same Act any person may have sea fishing enforcement powers conferred on them by being appointed to be marine enforcement officers by Welsh Ministers.

PART 2 – SPECIFIC RESERVATIONS

Paragraph 10 explains that the matters listed in Part 2 of Schedule 7A are, like those listed in Part 1 of Schedule 7A, reserve matters.

Paragraph 11 provides that the reservations are to be read together with their exceptions and interpretation provisions.

Paragraph 12 provides that the exceptions and interpretation provisions that are listed within reservations apply onto those reservations. In other words, exceptions and interpretations cannot be applied to other reserved matters.

**Head A - Financial and Economic Matters**

**Section A1 - Fiscal, economic and monetary policy**

This section reserves fiscal, economic and monetary policy, with the exception of devolved taxes and local taxes.

The reserved matters include the issue and circulation of money, taxes and excise duties including vehicle excise duty (and the bodies which administer them), government borrowing and lending (including the issue of Government Securities), the exchange rate, the Bank of England and control over UK public expenditure. This does not affect the Assembly’s ability to allocate resources, whether part of its assigned budget or raised through its tax-varying powers.

This reservation does not impact on the devolved taxes that were created in the Wales Act 2014. Devolved taxes are therefore excepted from this reservations, along with local taxes to fund local authority expenditure.

**Section A2 - The currency**

This section reserves matters relating to the currency.

The matters reserved are coinage, legal tender and bank notes. This includes the denominations of money in the currency and the coins or notes which constitute legal tender and what coins and bank notes may be issued

**Section A3 - Financial services**

This section reserves financial services. The reservation expressly includes:

(a) investment business, e.g. managing investments or providing investment advice and the
authorisation and regulation of those who undertake such activities, as in the Financial Services Act 1986;

(b) banking and deposit-taking e.g. the authorisation and regulation of those carrying on banking or deposit-taking business, as in the Banking Act 1987;

(c) collective investment schemes e.g. unit trusts and open-ended investment companies and their regulation and authorisation, as in the Financial Services Act 1986; and

(d) insurance.

84 The expression “financial services” also includes financial services other than those expressly mentioned, such as the services provided by building societies or friendly societies.

85 This reservation contributes to the preservation of common markets for financial services, and depositor, investor and policyholder protection, across the UK.

**Section A4 - Financial markets**

86 This section reserves financial markets, such as investment exchanges or money markets. The reserved matters are expressly stated to include:

(a) the listing and public offers of securities and investments, such as the matters which have to be disclosed in the application for official or unofficial listing of securities by the Stock Exchange;

(b) the transfer of securities e.g. on paper in the case of certificated securities or electronically in the case of uncertificated securities, as in the CREST system; and

(c) insider dealing. This reserves all matters relating to what constitutes insider dealing and its consequences

**Section A5 - Dormant accounts**

87 This section reserves the distribution of money from dormant bank and building society accounts.

88 The distribution of balances held on dormant bank and building society accounts is governed by the Dormant Bank and Building Society Accounts Act 2008 (“Dormant Accounts Act”).

89 Part 1 of the Dormant Accounts Act deals with the transfer of such balances to an authorised reclaim fund and, from the authorised reclaim fund, to the distributor specified in section 16(1), which is currently the Big Lottery Fund (BLF).

90 Part 2 of the Dormant Accounts Act deals with the distribution of dormant account money by BLF. Section 16(1) specifies that BLF shall distribute dormant account money for meeting expenditure that has a social or environmental purpose. The apportionment of dormant account money between the various UK nations is addressed by section 17 and in secondary legislation (currently, the Distribution of Dormant Account Money (Apportionment) Order 2011, SI 2011/1799). Management and control of all dormant account money distributed by BLF is subject to directions addressed by Section 22(4).

91 This reservation does not affect the existing devolution of executive competence to Welsh Ministers, who have powers: to further restrict (by order made by statutory instrument) the purposes for which, or the kinds of person to which, BLF may distribute dormant account money for meeting Welsh expenditure (see section 19 of the Dormant Accounts Act); to give directions to BLF in relation to Welsh expenditure (section 22); and to instruct BLF to prepare or replace a strategic plan for its distribution of dormant accounts money for meeting Welsh expenditure (Schedule 3).
Head B - Home Affairs

Section B1 - Elections

92 Section B1(A) of Part 2 reserves all matters concerning elections for membership of the House of Commons and the European Parliament which includes who may stand or vote in those elections, procedures under which votes are counted and candidates returned, what the constituencies and timings of those elections should be, campaign expenditure by political parties, controlled expenditure and donations to third parties.

93 Section B1(B) (paragraphs 19 to 25) reserves certain matters in relation to elections for membership of the Assembly and local government elections in Wales.

94 Paragraph 19 reserves the subject-matter of sections 3(1A) and 13A of GoWA which concern the coincidence of Assembly elections and reserved elections.

95 Paragraph 20 reserves the subject-matter of section 37ZA(2) of the Representation of the People Act 1983 which concerns the coincidence of local government elections in Wales and Assembly elections.

96 Paragraph 21 reserves:
   a. the combination of polls at elections or referendums that are outside the legislative competence of the Assembly with polls at (i) Assembly elections, (ii) local government elections in Wales or (iii) referendums held under Part 2 of the Local Government Act 2000; and;
   b. the combination of polls at ordinary Assembly elections with polls at ordinary local government elections in Wales.

97 The reservation at paragraph 22 provides that the Individual Electoral Registration Digital Service for applications for registration, or for verifying information contained in applications for registration in relation to elections for membership of the Assembly or local government elections in Wales, is reserved.

98 Paragraph 23 of the reservation sets out the subject-matter of those provisions in the Political Parties, Elections and Referendums Act 2000 (“the 2000 Act”) which are reserved in relation to elections for the membership of the Assembly and local government elections in Wales. In particular, the subject matter of sections 1 to 4 of the 2000 Act, which relate to the establishment and constitution of the Electoral Commission are reserved (with some exceptions); however, many of the Electoral Commission’s general functions and enforcement functions under Parts 1 and 10 of the 2000 Act are not reserved in relation to elections for membership of the Assembly.

99 Paragraph 24 reserves campaign expenditure by political parties, controlled expenditure and donations to third parties, but only where a regulated period in respect of such expenditure for elections to the Assembly or local government elections in Wales overlaps with the regulated period for elections for membership of the House of Commons or European Parliament.

100 Sections 145 to 148 and 150 to 154 of the 2000 Act make provision for the enforcement of the regulatory framework provided by that Act. This includes various powers exercisable by the Electoral Commission to investigate matters and, where appropriate, to impose civil sanctions. These sections also create a number of criminal offences. Paragraph 25 reserves the subject matter of these sections as they apply for the purposes of any provision, so far as the subject matter of such a provision is itself reserved by either paragraph 23 or 24 of Section B1.

Section B2 - Nationality and immigration

101 This section reserves nationality and immigration.

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).
102 Nationality and immigration covers a range of matters, including: entry to the UK; extending leave to remain in the UK, the granting of political or other forms of asylum and humanitarian protection; the status and capacity in the UK of non-British citizens, the grant and regulation of permission to work and study; free movement of persons within the European Economic Area; and the issue of passports and other travel documents.


104 Passports and other travel documents are not subject to statutory provision, but are issued under the Royal Prerogative.

105 The reservation includes the exercise of functions under the legislation described above; asylum and the status and capacity of persons in the United Kingdom who are not British citizens; free movement of persons within the European Economic Area; and the issue of travel documents.

Section B3 - National security and official secrets

106 This section reserves national security. National security powers are integral to the functioning of the United Kingdom.

107 This section reserves special powers and other special provisions for dealing with terrorism. This reserves competence to make special provision about terrorism such as is made in the Terrorism Act 2000, the Terrorism Act 2006, the Counter-Terrorism Act 2008, the Terrorism Prevention and Investigation Measures Act 2011 or the Counter-Terrorism and Security Act 2015. The reservation does not catch general provisions of the criminal law or public order statutes which, although not directed against terrorists as such, could be used to deal with terrorists.

108 This section also reserves the subject matter of the Official Secrets Acts 1911-1989, which contain provision protecting against certain acts of espionage and against unauthorised disclosure of certain sensitive information.

Section B4 - Interception of communications, communications data and surveillance

109 This reservation applies to the entire statutory framework which governs these activities. This includes the ability to specify that particular public authorities should be able to conduct these activities. The oversight regime and statutory safeguards which apply to these activities are also wholly reserved. These are some of the most intrusive activities which public authorities can undertake.

Section B5 - Crime, public order and policing

110 This section reserves the prevention, detection and investigation of crime; reserves the preservation of public order and policing.

111 This section makes Police and Crime Commissioners in general, a reserved matter, including their functions and their election.

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).
Section B6 - Anti-social behaviour

112 This section reserves the subject matter of Parts 1 to 6 of the Anti-social Behaviour, Crime and Policing Act 2014, which sets out coercive and other measures to deal with anti-social behaviour, crime and disorder and behaviour having detrimental effect on the quality of life in a locality, including recovery of possession of dwelling houses on the grounds of such behaviour.

113 Part 1 makes provision for a civil injunction to prevent anti-social behaviour. Part 2 makes provision for an order on conviction to prevent behaviour which causes harassment, alarm or distress. Part 3 contains a power for the police to disperse people who are causing, or likely to cause, harassment, alarm or distress or who are, or are likely to be, taking part in crime or disorder. Part 4 sets out powers to deal with community protection and makes provision for a community protection notice, a public spaces protection order and provisions to close premises associated with nuisance or disorder. Part 5 makes provision for the possession of houses on anti-social behaviour grounds. Part 6 contains provisions on establishing a community remedy document and dealing with responses to complaints of anti-social behaviour.

114 This section also reserves matters in relation to dangerous dogs and dogs dangerously out of control as concerning anti-social behaviour.

Section B7 - Modern slavery

115 This section reserves the subject-matter of the Modern Slavery Act 2015. The Act sets out the UK Government’s legislative response to the problem of modern slavery. Its provisions include criminal offences, law enforcement powers and protections for victims which are crucial to ensuring an effective response to this serious crime.

Section B8 - Prostitution

116 This section reserves matters in relation to prostitution.

117 This covers the prevention of harm, exploitation and public nuisance related to the purchase and sale of sexual services in England and Wales, including the control of the sale of sexual services.

118 The legislative framework in relation to prostitution is principally covered by the Sexual Offences Act 1956 (brothel keeping), Sexual Offences Act 2003 (soliciting, controlling prostitution for gain and causing or inciting prostitution for gain, and paying for the sexual services of a prostitute subject to force, threats or coercion), Street Offences Act 1959 (loitering or soliciting and Engagement and Support Orders).

Section B9 - Emergency powers

119 This section reserves emergency powers. This covers the circumstances in which such powers are exercised, what the powers are, including their limitations, and ancillary provision.


121 The CCA provides a power to make emergency regulations in order to respond urgently to actual or imminent emergencies which threaten serious damage to human welfare, the environment, or the security of the UK through war or terrorism, and where existing legislative provision is inadequate.

122 Emergency regulations may make provision of any kind that is necessary to prevent or deal with the emergency in question; however they must be proportionate to the aspect or effect of the emergency they are directed at. Other limitations also apply.
123 Emergency regulations which relate wholly or partly to Wales may not be made unless a senior Minister of the Crown has consulted Welsh Ministers. However this requirement may be disapplied if necessary for reasons of urgency.

**Section B10 - Extradition**

124 This section reserves extradition. The Extradition Act 2003 provides legislative provision for extradition. Extradition is the process under which a person may be surrendered by one territory to another, so as to face prosecution for an alleged crime or, where a person has been convicted of a crime, to serve a sentence or other form of detention imposed by a court.

**Section B11 - Rehabilitation of offenders**

125 This section reserves the subject matter of the Rehabilitation of Offenders Act 1974 (ROA) which governs the disclosure of criminal record information for employment and for certain other purposes such as licensing, and court and tribunal proceedings. The legislation determines when cautions and convictions may become ‘spent’ meaning that they no longer have to be disclosed for most purposes and the individual is treated as rehabilitated for the purpose of the ROA. The Exceptions Order to the Act lists those sensitive occupations and activities where certain spent cautions and convictions may be disclosed and taken into account and specifies which old and minor spent cautions and convictions may be protected from disclosure for these purposes.

126 The rehabilitation periods relating to convictions, and the policy on protected spent cautions and convictions, are based on the sentence imposed. The sentencing framework is a reserved matter and therefore the ROA must also be reserved as the two must be aligned as between England and Wales.

**Section B12 - Criminal records**

127 This section reserves criminal records, including the disclosure and barring regime, which is operated by the Disclosure and Barring Service (DBS).

128 The DBS was established by the Protection of Freedoms Act 2012. The DBS operates a barring service for certain sensitive areas of employment and also provides criminal records disclosures.

129 The legislative regime for criminal disclosure and barring is provided by a number of statutes:

Rehabilitation of Offenders Act 1974

Safeguarding Vulnerable Groups Act 2006

Protection of Freedoms Act 2012

The Police Act 1997

130 The Police Act 1997 provides for the provision of criminal records certificates and the framework within which the DBS works. There is a very close interaction between the Police Act 1997 and the Rehabilitation of Offenders Act 1974 (ROA) and associated regulations. The provisions of the RoA, the foundations of the DBS regime are a reserved matter.

131 However, other aspects of the legislation underpinning the disclosure and barring regime can be affected, or touched on, by devolved matters.

132 Section 56 of the Safeguarding Vulnerable Groups Act 2006 requires the Secretary of State to obtain the consent of the Welsh Ministers before making certain secondary legislation relating to barring and notification; there is also a duty to consult with the Welsh Ministers on legislation regarding other aspects of regulated activity, barring etc.
Additionally, Schedule 7 to GoWA provides that the provision of social care is devolved. Given the role of safeguarding and barring in social care this means that there is inevitably a cross over between aspects of the work of the DBS and the Criminal Records regime.

A similar situation applies in the context of education. Under the Education Act 2002 local authorities and school governing bodies have a general duty to promote the welfare of children and make safeguarding arrangements – that duty is devolved. The regulation and inspection of children’s homes and social care providers for children is also devolved.

Section B13 - Dangerous items

This section reserves the subject-matter of the Firearms Act 1968 to 1997.


These Acts, inter alia:

- make it a criminal offence in certain circumstances and without authority to possess, handle, purchase, acquire, sell, distribute or transfer certain firearms and imitation firearms;
- provide for the need for, and issue of, firearms certificates in relation to certain firearms and ammunition;
- make provision for the regulation of firearms dealers; and
- provide for the licensing and regulation of target shooting clubs.

The Acts distinguish between different types of firearms in certain respects and make different provision for different types.

This section reserves the subject matter of the Poisons Act 1972 which makes provisions for the sale and supply of certain poisons and explosives precursors to members of the public and the acquisition, importation, use and possession of poisons and explosives precursors by members of the public. The Act also makes provision for reporting of suspicious transactions of poisons and explosives precursors.

Section B13 prevents the Assembly from legislating in respect of knives and offensive weapons that are also knives (for instance, a bayonet) in matters that are not caught by section B5. For instance, it will prevent the Assembly from implementing a licensing regime for knives and for offensive weapons that are also knives.

Section B14 - Misuse of and dealing in drugs or psychoactive substances

This section reserves the legal framework concerning the misuse or dealing in drugs or psychoactive substances.

This covers drugs or psychoactive substances as defined respectively in the Misuse of Drugs Act (“controlled drugs” which includes drugs subject to a temporary class drug order) and the Psychoactive Substances Act 2016 (any substance which is: ‘capable of producing a psychoactive effect in a person who consumes it’ subject to a list of exempted substances in Schedule 1).

The law on the misuse of drugs and drug trafficking is principally set out in the Misuse of Drugs Act 1971 and its subordinate legislation as well as sections 12-14 of the Criminal Justice (International Co-operation) Act 1990 (substances useful for manufacture of controlled drugs).

The Psychoactive Substances Act 2016 outlaws the trade (i.e. production,
importation/exportation, supply and possession with intent to supply) for the purposes of human consumption of psychoactive substances (as defined in the Act). There is no possession offence except in a custodial institution. The production etc. of these substances for any other purpose is not caught. Exempt substances include controlled drugs under the Misuse of Drugs Act 1971; medicinal products as defined by the Human Medicines Regulations 2010; alcohol, nicotine/tobacco, caffeine and food (i.e. substances that are already regulated through existing legislation or because their psychoactive effect is negligible).


Section B15 - Private security

146 This section reserves Private Security. This covers the regulatory regime for private security, which is currently regulated by the Security Industry Authority (SIA). The SIA was established by the Private Security Industry Act 2012 (PSIA). The SIA’s main functions are to provide licensing and approvals for certain areas of the security industry. It also acts in an enforcement role.

Section B16 - Entertainment and late night refreshment

147 This section reserves powers to make provisions for regulating the classification of film and video recordings (including video games). This includes the age rating certification of film, video recordings and video games. This section reserves entertainment and late night refreshment, which are regulated by the Licensing Act 2003. This includes entertainment licensing, ensuring that there is a coherent regulatory framework throughout England and Wales.

148 The regulation of late night refreshment is defined in the Licensing Act 2003 (section 1 and paragraph 1 of Schedule 2), as the sale of hot food and hot drink to the public between the hours of 23.00 and 05.00. The Licensing Act 2003 includes certain exemptions (see paragraphs 2A, 3, 4 and 5 of Schedule 2), where the premises are not used by the public, such as the provision of refreshments to guests staying at a hotel, or the provision of refreshments by an employer to an employee.

Section B17 - Alcohol

149 This section reserves the sale and supply of alcohol, which is regulated by the Licensing Act 2003.

150 This includes the licensing of alcohol sales by retail and the pricing and promotion of alcohol. There are a number of provisions in the Licensing Act 2003 which relate to the pricing and promotion of alcohol, including a power under section 19A which allows the Secretary of State to impose mandatory conditions relating to the sale of alcohol on all licensed premises where the Secretary of State considers this appropriate for the promotion of the licensing objectives. Mandatory licence conditions made under this power include conditions governing irresponsible promotions, and a prohibition on sales of alcohol below the permitted price.

151 This reservation does not include the wholesale sale of alcohol.

Section B18 - Betting, gaming and lotteries

152 This section reserves lotteries, including the National Lottery, ensuring that the same framework is in place throughout the UK, and betting and gaming, ensuring that the same framework is in place throughout Great Britain.
Section B19 - Hunting with dogs

153 This section reserves hunting with dogs. The hunting of any wild mammal with a dog is prohibited in England and Wales by the Hunting Act 2004, unless the hunting qualifies as exempt hunting under that Act.

Section B20 - Scientific and educational procedures on live animals

154 This section reserves scientific and educational procedures on live animals. Such procedures are regulated by the Animals in Science Regulation Unit in the Home Office who are responsible for inspection and licensing of such procedures and for the policy and legislation in this area for England, Wales and Scotland.

Section B21 - Lieutenancies

155 This section reserves the lieutenancies, including the processes for appointments and their functions which are set out in the Lieutenancies Act 1997

Section B22 - Charities and fund-raising

156 This section reserves charities. The Charities Act 2011 is the main statute making provision in relation to charities. This includes the definition of “charity” and “charitable purpose”, the requirements for most charities to register with and be regulated by the Charity Commission for England and Wales, and charities’ accounting and reporting requirements among others.

157 This reservation does not affect the ability of the Assembly or Welsh Government to confer, impose, or modify functions of public bodies operating within devolved areas who also happen to be charities.

158 This section also reserves fund-raising for charitable, philanthropic or benevolent purposes. The main statutory provisions on this are Part 2 of the Charities Act 1992 and the House to House Collections Act 1939.

159 This reservation does not inhibit the power of the Assembly to legislate to raise and distribute funds to charities and similar bodies for devolved purposes.

Head C - Trade and Industry

Section C1 - Business associations and business names

160 This section reserves the creation, operation, regulation and dissolution of business associations. Business associations include any entity that is not a natural person which is established for undertaking any business whether or not the business is for profit. The reservation does not prevent the Assembly from establishing a business association, such as a company for devolved purposes, but any such company would be required to comply with the relevant UK legislation. What is reserved is the legislative competence to provide how a company is created, operated, regulated and dissolved.

161 What is excepted from the reservation is the creation, operation, regulation and dissolution of particular public bodies or public bodies of a particular type established by or under any enactment. This is to ensure that the Assembly is able to legislate to create and provide for the operation, regulation and dissolution of any public bodies for devolved purposes. These might include a particular statutory body, or types of statutory bodies, such as local authorities or other bodies required to carry on activities within a devolved area. This exception therefore permits the Assembly to establish public bodies for devolved purposes only: it would not permit the Assembly to establish bodies for purposes relating to a reserved matter.
162 This section reserves the regulation of the name under which an individual or a business association carries on business.

**Section C2 - Insolvency and winding up**

163 This section reserves the subject matter of insolvency and the winding up of solvent business associations.

164 These reservations cover all matters relating to insolvency for individuals, limited companies and other business associations. They also cover the winding up of solvent business associations, (for example members’ voluntary winding up) and the regulation of insolvency practitioners.

**Section C3 - Competition**

165 This section reserves the regulation of anti-competitive practices and agreements; abuse of dominant position, and monopolies and mergers. This reservation ensures the continuation of a common UK-wide system for the regulation of competition matters. Responsibility for competition policy rests with the UK Government.

166 Competition matters are currently principally regulated by (a) the Competition Act 1998 which introduced a prohibition approach to anti-competitive agreements and abuse of a dominant position and (b) the Enterprise Act 2002 which regulates mergers and gives powers to investigate markets. In addition, the Enterprise and Regulatory Reform Act 2013 established the Competition and Markets Authority which is responsible for competition regulation in the UK, with rights of appeal to the Competition Appeal Tribunal. The reservation includes all matters relating to that regulation.

**Section C4 - Intellectual property**

167 This section reserves all matters relating to intellectual property and the work of the Intellectual Property Office. This includes patents design right, trademarks and copyright and all other existing and future analogous rights and matters such as publication rights, rights in performances, the law on passing-off, trade secrets and database rights.

168 The only exception to this is that the intellectual property with respect to plant varieties and seeds is not reserved.

**Section C5 - Imports, exports and movement of plants etc.**

169 Part (a) of this section reserves import and export licensing and the implementation of the UK’s EU and UN obligations in this area.

170 This reservation reserves import and export licensing within the UK in addition to the implementation of any import, export and trade controls sanctions or arms embargos that are adopted at EU or UN level.

171 This section also reserves all matters related to the Common Commercial Policy of the EU, which falls within the exclusive competence of the EU.

172 Paragraph (b) of the reservation provides that the movement within the United Kingdom of food, plants, animals and other things, is a reserved matter.

173 The exceptions to this reservation ensures that the Assembly is able to regulate the movement into, out of and within Wales of those things listed for reasons connected with the exercise of functions within areas of devolved competence. It makes clear however that devolved competence does not extend to prohibition and regulation related to the protection of endangered plants and animals, which remains reserved.

*These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).*

26
Section C6 - Consumer protection

174 This section reserves the regulation of the following matters:

a) the sale and supply of goods and services to consumers. This covers the terms on which goods and services are sold and supplied to consumers;

b) guarantees in relation to such goods and services. Statutory implied terms in relation to the sale and supply of goods and services to consumers are covered by the reservation at (a) above;

c) hire purchase, including the subject-matter of Part 3 of the Hire Purchase Act 1964 which deals with title to motor vehicles which are disposed of while subject to hire purchase agreements;

d) trade descriptions, except in relation to food. This deals with all matters related to false trade descriptions and is not limited to the protection of consumers. It includes the subject-matter of the Trade Descriptions Act 1968;

e) advertising and price indications. This deals with all matters related to the regulation of advertising and price indications. This includes relevant provisions in the Consumer Protection Act 1987 and the EC Directive on Price Indications;

f) auctions and mock auctions of goods and services. This relates to all matters related to sale of goods and services by auction and the prohibition of mock auctions i.e. sales which purport to be auctions, but in which the right to bid is restricted, goods are sold below the bid price or are given away, and similar trading practices intended to put undue pressure on customers. This currently includes the Auctioneers Act 1845, the Auctions (Bidding Agreements) Act 1969 and the Mock Auctions Act 1961; and

g) hall-marking and gun barrel proofing. This covers the regulation of hallmarks applied to articles of precious metal. Gun barrel proofing is the process of testing a gun for safety in order to disclose any fault or weakness and is a statutory requirement for all small arms

175 Matters relating to the safety of, and liability for, services to consumers are reserved.

176 The exception to this section is intended to ensure that the Assembly continues to have competence in relation to food safety (including packaging and other materials which come into contact with food) and the protection of interests of consumers in relation to food.

177 This section reserves the regulation of:

(a) the activities of estate agents including provisions of the Estate Agents Act 1979. It does not apply to things done in the course of this profession by a practising solicitor or person employed by an estate agent; nor does it include letting agents, which is a devolved responsibility.

b) timeshares including the minimum information which must be given to consumers prior to contract, the minimum contents of contracts and for the cancellation of agreements without penalty within a cooling off period.

c) the regulation of package travel, package holiday and package tours, which includes requirements on information given to consumers, in brochures and otherwise, content and form of contracts, provisions which traders must make for the protection of consumers’ pre-payments, other obligations of traders and related offences and civil rights of consumers.

178 This section reserves the protection of people, whether consumers or others who receive unsolicited goods or services and from trading schemes (for example, pyramid selling) and is largely provided for by Part 11 of the Fair Trading Act 1973.
179 The reservation of the regulation of trading schemes in relation to consumer protection matters should not be read as reserving the regulation of trading schemes in relation to matters that are not reserved elsewhere.

180 This section reserves Part 8 of the Enterprise Act 2002, which concerns the enforcement of various pieces of consumer legislation with civil undertakings and orders

Section C7 - Product standards, safety and liability

181 This section covers all legislation which lays down rules relating to:
- product standards, imposed as a result of an EU obligation;
- product safety, and liability;
- product labelling requirements;
which must be complied with before a product can be placed on the market.

182 This section reserves product technical standards and requirements imposed as a result of an obligation in EU law.

183 This section reserves the power to make provision for the appointment of national accreditation bodies, which certify or assess conformity to technical standards in relation to products or environmental management systems.

184 This section reserves product safety and product liability.

185 The exception to these reservations ensure that the Assembly is able to legislate in relation to food (which includes drink) food products and packaging and other materials which come into contact with food and the protection of interests of consumers in relation to food.

Section C8 - Weights and measures

186 This section reserves units and standards of weight and measurement.

187 This section reserves regulation of trade involving weighing, measuring or quantities. This includes the subject matter of the Weights and Measures Act 1985.

Section C9 - Telecommunications and wireless telegraphy

188 This section reserves powers governing telecommunications and wireless telegraphy (including electromagnetic disturbance such as radio interference), thus allowing a consistent approach across the UK including a common regulator (Ofcom).

189 This section reserves powers to make provisions for regulating Internet services, ensuring the same framework is in place throughout the UK.

190 This section reserves powers to make provision in relation to electronic encryption ensuring a consistent approach throughout the UK.

Section C10 - Post

191 This section reserves postal services and post offices, which includes the subject matter of the Postal Services Act 2011 and remaining provisions of the Postal Services Act 2000.

192 The exception permits financial assistance for the provision of services to be provided from public post offices (other than postal services and services relating to money or postal orders).

Section C11 - Research Councils

193 This section reserves Research Councils, within the meaning of the Science and Technology Act

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).
1965. This includes the funding of scientific research in accordance with section 5 of that Act, so far as it relates to Research Councils.

194 This section reserves the Arts and Humanities Research Council within the meaning of Part 1 of the Higher Education Act 2004. This includes research in arts and humanities in accordance with section 10 of that Act, so far as it relates to that Research Council.

**Section C12 - Industrial development**

195 This section reserves both the Secretary of State’s ability to designate Assisted Areas and the financial limits specified in sections 8(5) and 8(7) of the Industrial Development Act 1982. The reservation on the financial limits means that financial assistance to industry under section 8 of the Industrial Development Act 1982 by Welsh Ministers, Scottish Ministers and UK Ministers combined cannot exceed total expenditure thresholds which are set by UK Ministers.

196 This section reserves the Industrial Development Advisory Board, which is a statutory body provided for under section 10 of the Industrial Development Act 1982.

197 The Industrial Development Advisory Board, or IDAB as it is commonly known, has a statutory role to advise the Secretary of State on the exercise of his functions under sections 7 and 8 of the Industrial Development Act 1982 (provision of financial assistance to industry).

**Section C13 - Protection of trading and economic interests**

198 This section reserves the subject-matter of Part 2 of the Industry Act 1975.

199 Part 2 of the Industry Act 1975 gives powers to the Secretary of State to prevent control of an “important manufacturing undertaking” in the United Kingdom from passing to a person resident outside the United Kingdom where such a change of control would be contrary to specified interests of the United Kingdom relating to public policy, public health or public security (and subject to other restrictions on the exercise of these powers). The Secretary of State is empowered to act by means of “prohibition order” or “vesting order”, to which Parliamentary procedures apply.

200 This section reserves the subject matter of the Protection of Trading Interests Act 1980. This Act allows the Secretary of State to prohibit, where appropriate, the application of certain trade sanctions adopted by other countries, to persons in the UK, where the operation of those measures would, in his view, damage the economic interests of that person.

**Section C14 - Assistance in connection with exports of goods and services**

201 This section reserves the subject-matter of the Export and Investment Guarantees Act 1991. This Act makes provision as to the functions exercisable by the Secretary of State through the Export Credits Guarantee Department; and makes provision as to the delegation of any such functions and the transfer of property, rights and liabilities attributable to the exercise of any such functions.

**Section C15 - Water and sewerage**

202 This section reserves the appointment and regulation of water and sewerage undertakers whose areas of appointment are wholly or mainly in England. Under sections 6 and 7 of the Water Industry Act 1991, water and sewerage undertakers are appointed for every area of England and Wales. Some undertakers are appointed to areas that cross the national boundary between England and Wales. The Assembly may legislate for the appointment and regulation of undertakers whose appointment areas are wholly in Wales. By virtue of section 108(4) of GoWA 2006, in respect of undertakers whose appointment areas are partly in England but mainly in Wales, the Assembly may only legislate for appointment and regulation in the Welsh

*These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).*
parts of those areas.

203 This section reserves the regulation and licensing of water supply and sewerage licensees. This reservation is subject to the exceptions in Section C15 for the regulation of licensees in relation to licensed activities that use the water supply or sewerage systems of undertakers wholly or mainly in Wales. Water supply and sewerage licensees are licensed to use the water supply and sewerage system of undertakers in order to provide services. The Assembly can legislate for the regulation of the licensed activities of water supply and sewerage licensees using the water supply and sewerage systems of undertakers whose appointment areas are wholly in Wales. In respect of licensees using the water supply or sewerage systems of undertakers whose appointment areas are partly in England but mainly in Wales, the Assembly may only legislate for the regulation of those licensees’ activities in the Welsh parts of those areas. The Assembly may not legislate in respect of licensing.

Section C16 - Pubs Code Adjudicator and the Pubs Code

204 This section reserves the subject matter of Part 4 Small Business, Enterprise and Employment Act 2015 which outlines the following:

- A statutory Pubs Code, regulating the practices and procedures of pub-owning businesses (being landlords who own 500 or more tied pubs) in their dealings with their tied tenants in England and Wales.

- An independent Adjudicator (and office) to arbitrate Pubs Code disputes and to investigate systemic breaches of the Code by pub-owning businesses. The Adjudicator is conferred with certain powers, including to apply a levy to, and impose sanctions on, pub-owning businesses and to issue guidance relating to the Pubs Code.

Section C17 - Sunday trading

205 This section reserves Sunday trading. This includes the subject-matter of the Sunday Trading Act 1994, which limits the opening hours of large stores (those with a relevant floor area over 280 square metres / 3,000 square feet) to 6 continuous hours (between 10am and 6pm) on a Sunday in England and Wales.

206 This reservation does not cover opt-out rights for shop workers in respect of Sunday working which are contained in the Employment Rights Act 1996. Those rights are separately reserved under ‘H1 Employment and Industrial Relations’.

Head D - Energy

Section D1 - Electricity

207 This section reserves generation, transmission, distribution and supply of electricity. This covers all aspects of regulation of the electricity industry, including in particular much of the subject-matter of Part I of the Electricity Act 1989, which makes provision about the licensing and regulation by the Gas and Electricity Markets Authority of activities relating to electricity.

Section D2 - Oil and gas

208 This section reserves oil and gas and the regulation of the UK oil and gas industry. Subject to express exceptions, this covers all the UK Government’s powers and functions in relation to the oil and gas industry prior to the coming into force of the Act, including:

(a) the ownership of, exploration for and exploitation of deposits of oil and natural gas. This covers the subject-matter of the Petroleum Act 1998 and related legislation, which vest ownership of oil and gas deposits in the Crown and provides for a system of licensing persons to explore for and exploit such deposits;

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(b) pipelines and offshore installations. This covers the regulation of pipelines under the Pipe-lines Act 1962 and Planning Act 2008, and offshore installations, including the construction or laying and abandonment of installations and pipelines. Offshore installations means those installations related to oil and gas located seaward of the inward baseline for the territorial sea.

(c) marine licensing so far as relating to oil and gas exploration and exploitation. This covers licensing of marine activities so far as relating to oil and gas exploration and exploitation in territorial waters. The Marine and Coastal Access Act 2009 provides that the Secretary of State is the appropriate licensing authority for licensable marine activities for any anything done in the course of any activity concerning the exploration for or production of petroleum. The 2009 Act also exempts from the need to obtain a marine licence certain activities licensable under the Petroleum Act 1998. The marine environment apart from this reservation is generally not reserved;

(d) restrictions on navigation, fishing and other activities to ensure safe operation of offshore activities. Offshore activities means those activities related to oil and gas located seaward of the inward baseline for the territorial sea. Part 3 of the Petroleum Act 1987 provides for safety zones where navigation is restricted in the immediate vicinity of installations in territorial waters or the Continental Shelf;

(e) liquefaction and regasification of gas;

(f) the manufacture or production of gas;

(g) the conveyance, shipping and supply of gas. This covers, in particular, the subject-matter of Part I of the Gas Act 1986, which makes provision about the licensing and regulation by the Gas and Electricity Markets Authority of activities relating to gas.

209 There is no limitation in paragraphs (e) to (g) to natural gas only. The effect of this is that these paragraphs may apply equally to manufactured gas which is used for fuel, including biogas (made from the anaerobic digestion of plant matter or waste) or biomethane (biogas which has been processed for injection into the gas grid).

210 The exceptions to the reservation are: the granting and regulation of licences to search and bore for and get petroleum within the Welsh onshore area, except for any consideration payable for such licences; and access to land for the purpose of searching or boring for or getting petroleum under an onshore petroleum licence.

Section D3 - Coal

211 This section reserves coal, including the regulation of the UK coal industry. Land restoration is excepted.

212 General legislative and executive competence is reserved in relation to the UK coal industry, including the ownership of coal reserves, regulation of deep and opencast mining, subsidence and water discharge in relation to coal mines.

213 The reservation covers all legislation relating to coal, including in particular ownership and exploitation, deep and opencast mining, subsidence and water discharge. Policy towards the UK coal industry continues to be dealt with on a UK basis, in consultation with the Welsh Ministers when appropriate. Operational matters in relation to coal reserves and the issue of mining licences are for the Coal Authority, which is a GB body and which receives grant in aid from the UK Government.

214 The exceptions to the reservation relate to the subject-matter of sections 53 and 54 of the Coal Industry Act 1994 which cover environmental duties in relation to planning approval and obligations to restore land affected by coal-mining operations.

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).
Section D4 - Nuclear energy

215 This section reserves all matters relating to nuclear energy and nuclear installations including nuclear safety, nuclear security and safeguards and liability for nuclear occurrences. The areas covered by the reservation include the development, production and use of nuclear energy, nuclear site licensing, nuclear safety, liability for nuclear occurrences and insurances in respect of such liability and nuclear safeguards required by international treaties.

216 This section reserves the Office for Nuclear Regulation (“ONR”) which is a statutory body set up under section 77 of, and Schedule 7 to, the Energy Act 2013. By virtue of paragraph 199 of Schedule 7A, the constitution of the ONR is reserved. The conferring, imposing, modifying or removing of ONR’s functions or functions specifically exercisable in relation to it, is also reserved.

Section D5 - Heat and cooling

217 This section reserves production, distribution and supply of heat and cooling. Combined heat and power systems (also known as co-generation) are installations which simultaneously produce electrical power and also capture heat for use. Heat and cooling networks and renewable heat incentive schemes are defined in the reservation.

Section D6 - Energy conservation

218 This section reserves energy conservation. This includes energy efficiency measures implemented by prohibition or regulation. Non-regulatory measures to encourage energy efficiency are devolved. This section also includes the subject-matter of the Energy Act 1976. The 1976 Act enables the Secretary of State to make orders regulating or prohibiting the use of various fuels, or electricity, where that appears desirable for the purpose of conserving energy, and to give directions for conserving fuel stocks.

219 The 1976 Act also enables the Secretary of State to make orders regulating or prohibiting the production, supply or acquisition of various fuels or electricity while an Order in Council is in force. An Order in Council may be made where the fuller powers it allows are needed to implement an international obligation or to deal with an actual or threatened emergency. The 1976 Act also allows for exemptions from certain legal requirements while an Order in Council is in force.

Head E - Transport

Section E1 - Road transport

220 This section reserves road freight transport services. This includes goods vehicle operator licensing and the traffic commissioners (insofar as they regulate the freight industry).

221 This section reserves the regulation of the construction and equipment of motor vehicles and trailers and the regulation of the use of motor vehicles and trailers on roads. It covers (amongst other things) legislation relating to the construction and use of motor vehicles and trailers as well as rules of the road applying to motor vehicles and trailers including but not limited to the highway code, wearing of seating and helmets on motorcycles, vehicle and trailer loading and plated weights.

222 This section reserves road traffic offences. This includes:

- the offences themselves,
- the penalties for those offences
- the system of penalty points, disqualifications and other road traffic specific penalties.

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- the specific court and fixed penalty procedures applicable to road traffic offences.

223 This section reserves driver licensing. This includes:
   - medical restrictions;
   - driving tests;
   - mandatory driver training (both pre and post licence issue)
   - driver CPC (certificates of professional competence).

224 This section reserves driving instruction. This reserves all aspects of the regulation of the driving instruction for all classes of motor vehicles.

225 This section reserves drivers’ hours. This includes maximum driving hours, minimum rest breaks and the use of tachographs and other equipment to monitor compliance.

226 This section reserves traffic regulation, other than speed limits, traffic signs or pedestrian crossings on special roads. This largely relates to traffic regulation on motorways.

227 This section reserves the power to exempt vehicles from any statutory provision imposing a speed limit. This reservation also reserves the power to make provision about the training of drivers of vehicles at high speed.

228 Paragraph 109 is linked with the exemption from speed limit reservation in paragraph 108 and reserves the application of traffic signs and pedestrian crossings in relation to vehicles being used for a speed exempted purpose in Wales.

229 This section reserves all matters connected with international road transport services for passengers and goods.

230 This section reserves Public Service Vehicle Operator Licensing. Public Service Vehicles (PSVs) operator licences are required by operators of PSVs (buses and coaches). This includes the functions of the traffic commissioners in regulating the industry.

231 This section reserves documents relating to vehicles and drivers for the purposes of travel abroad for both private and commercial use of vehicles. This includes for example:
   a) international driving permits,
   b) ECMT (European Conference of Ministers of Transport) multilateral road haulage permits,
   c) road haulage permits issued and recognised under bilateral treaties.

232 Paragraph 113 reserves the regulation and the registration of new and used vehicles and motor insurance.

233 This section reserves the subject matter of the Severn Bridges Act 1992 in so far as it applies to the Second Severn crossing, except for the provisions of the 1992 Act which relate to the construction of the Second Severn crossing. The other crossing which is mentioned in the 1992 Act is situated wholly in England so it is reserved by virtue of section 108A(2)(b).

**Section E2 - Rail transport**

234 This section reserves railway services. This includes the provision and regulation of railway services and rail safety.

235 The interpretation provision under section E2 defines "railway services" more specifically, by reference to section 82 of the Railways Act 1993. This means it includes:

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- services in relation to the carriage of passengers, luggage, parcels, mail and goods and services in relation to stations,  
- maintenance facilities, and  
- the provision and operation of the rail network itself.

236 However, the wider meaning of “railway” in section 81(2) of the Railways Act 1993 is excluded from the definition. This means tramways and guided transport systems are devolved.

237 Also devolved is the subject listed under the exception to section E2: financial assistance so far as relating to railway services. This means that the Assembly is able to legislate in relation to capital and revenue grants for services relating to the carriage of passengers, stations, maintenance facilities and the rail network itself.

238 However, carved out from this exception and therefore reserved, is financial assistance in connection with:

- the carriage of goods,
- a railway administration order, which includes government financial assistance under section 63 of the Railways Act 1993 where railway administration orders are made, or
- Regulation (EC) No. 1370/2007 of the European Parliament and of the Council on public passenger transport services by rail and by road. These Regulations provide for compensation to a passenger service operator who is required to run a service which would not be commercially viable.

239 This section reserves the subject-matter of the Channel Tunnel Act 1987 which makes provision for the construction and operation of the Channel Tunnel, and for the operation of the Shuttle services and other services through it, and safety and security within the tunnel system.

Section E3 - Marine and waterway transport etc.

240 This section reserves the navigational rights and freedoms of marine and waterway transport. Navigational rights and freedoms apply in the sea and in navigable tidal and non-tidal waters. The regulation of works which may obstruct or endanger navigation is not reserved except in the case of works relating to, or for constructing, reserved trust ports or harbours not wholly in Wales.

241 This section reserves shipping, and technical safety standards of vessels that are not ships (regardless of whether the vessel is capable of navigation) including the subject-matter of:

(a) section 2 of the Protection of Wrecks Act 1973, which concerns wrecks which pose a danger to shipping and divers;

(b) the Dangerous Vessels Act 1985, which concerns dangerous vessels in harbours; and

(c) the Merchant Shipping Act 1995, which covers a wide range of matters relating to shipping.

242 The reservation of shipping applies to ships on the sea or any waterway. It includes all aspects of shipping, for example the regulation of ships and shipping services, the register of ships, shipping safety, environmental harm caused by ships, carriage of goods and passengers, employment and engagement of seafarers, war risks insurance, salvage and wreck, protection of shipping and trading interests, lighthouses and navigational aids, and financial assistance.

243 There is an exception for financial assistance for shipping services to, from or within Wales and an exception for the regulation of the carriage of animals on vessels for the purposes of

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protecting human, animal or plant health, animal welfare or the environment, reflecting matters that have been devolved.

244 This section reserves reserved trust ports, as defined in clause 31 of the Bill, and harbours not wholly in Wales. The reservation includes the development, operation and management of reserved trust ports and harbours not wholly in Wales by harbour authorities.

245 This section reserves pilotage other than devolved pilotage. Devolved pilotage is defined as pilotage that relates to a harbour wholly in Wales other than a reserved trust port and that is provided in a pilotage jurisdiction under section 2(1) of the Pilotage Act 1987 that does not extend beyond Wales. The reservation includes the subject matter of the Pilotage Act 1987 (other than in relation to devolved pilotage).

246 This section reserves coastguard services and maritime search and rescue with the exception of the subject matter of the Fire and Rescue Services Act 2004.

247 Maritime search and rescue services are required by international maritime Conventions and are initiated and coordinated by the Maritime and Coastguard Agency (MCA), an executive agency of the Department for Transport. The Fire and Rescue Services Act 2004 enables fire and rescue authorities to provide search and rescue services and, under section 20, a fire and rescue authority which has the power to act outside the authority’s area can exercise the power at sea or under the sea. The provision of maritime search and rescue services by fire and rescue authorities is devolved by the exception.

248 This section reserves hovercraft. Hovercraft are not ships and can be operated over land as well as over water. The Hovercraft Act 1968 allows hovercraft to be regulated under laws relating to ships, aircraft, motor vehicles or other means of transport. Hovercraft are in practice regulated as if they were ships. Shipping legislation, for example, legislation relating to seafarer working conditions, environmental harm and safety, is generally applied to hovercraft. The reservation covers hovercraft whether operated over water or land.

**Section E4 - Air transport**

249 This section reserves aviation, air transport, airports and aerodromes. This includes the provision and regulation of aviation services and aviation safety, licencing, powers to set noise controls at airports, the arrangements for compensation and repatriation of passengers on an operator’s insolvency and the economic regulation of aviation. There are exceptions for

(a) financial assistance to providers or proposed providers of air transport services or airport facilities or services,

(b) strategies by the Welsh Ministers or local or other public authorities about provision of air services, and

(c) regulation of the carriage of animals on aircraft for the purposes of protecting human, animal or plant health, animal welfare or the environment.

**Section E5 - Transport security**

250 This section reserves transport security in relation to reserved transport matters. This means that road transport security, rail transport security, maritime security, and aviation security are all reserved matters.

251 The exception to section E5 provides that the regulation of transport security relating to the carriage of adults who supervise persons travelling to and from the places where they receive education or training, is devolved. This makes it clear that the security of such persons is a devolved education matter and not a reserved transport matter.

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**Section E6 - Other matters**

252 This section reserves technical specifications for public passenger transport for disabled persons including the subject-matter of section 125(7) and (8) of the Transport Act 1985 and Part 12 of the Equality Act 2010.

253 This section reserves the regulation of technical specifications for fuel or other energy sources or processes used in road, rail, marine, waterway or air transport.

254 This section reserves the regulation of the carriage of dangerous goods (including the transport of radioactive material).

**Head F - Social Security, Child Support, Pensions and Compensation**

**Section F1 - Social security schemes**

255 This section reserves schemes supported from central or local public funds which provide financial assistance for social security purposes to or in respect of individuals. This includes individuals who qualify in various ways as outlined in the non-exhaustive list in the interpretation paragraph.

256 The reservation relates to social security benefits, state pensions, allowances, grants, loans and any other form of financial assistance (such as payments out of the Social Fund, pension credit, universal credit and disability benefits) which are directly administered and funded by central or local government, in whole or in part.

257 The reservation also includes compensation schemes, including lump sum schemes, which make payments because of accident, injury or disease.

258 The reservation covers all aspects of the establishment, financing and administration of such benefits and activity connected with them (such as decision-making, appeals and anti-fraud activity). The reservation does not prevent the Welsh Government from providing benefits or allowances for other purposes within its competence, such as education maintenance grants or fosterage allowances, or council tax reduction schemes as permitted under executive powers granted in the Local Government Finance Act 1992.

259 The exception exempts the devolved area of social welfare, social services, care and support in so far as the reservation concerns financial assistance. Accordingly, the exception is limited to the provision by a local authority of financial assistance in respect of the costs of care or support which the local authority would otherwise provide by way of services.

260 This section reserves requiring persons aside from central government (including companies, employers and local or other authorities) to establish and administer schemes for social security purposes, to make payments to or in respect of those schemes, and to keep records and supply information in connection with the schemes and in connection with any payments made.

261 The reservation includes payments and activities to do with National Insurance, such as the requirement on individuals to pay and employers to collect National Insurance contributions. It also covers other types of social security provision that operate through requirements on employers or others to make payments in accordance with a regulatory framework (such as statutory sick pay and statutory maternity pay) rather than by direct central or local government delivery.

**Section F2 - Child Support**

262 This section reserves the subject-matter of the Child Support Acts 1991 and 1995 as amended and any further legislation in this area which concerns the state’s interest in parental...
obligations to maintain their children and its power to establish or assume paternity. The provisions of the Child Support Acts include the duty upon the Secretary of State to determine whether there is a liability to pay maintenance in respect of a child not living with both parents, to assess and collect any amounts due and to enforce payment. The reservation also covers legislation regarding the jurisdiction and powers of the courts to make individual decisions on child maintenance.

263 This section reserves section 30(1) and (2) of the Child Support Act 1991.

264 These provisions empower the Secretary of State to collect periodical payments other than child support payments (for example payments made under an order to cover the costs of education or training; to meet expenses attributable to a disability; or additional maintenance payments appropriate in high income cases), which are payable for the benefit of the child or any other person.

Section F3 - Occupational and Personal Pensions

265 This section covers all matters and statutory provisions relating to occupational and personal pensions, including public service pensions which are a particular category of occupational pensions.

266 Pension schemes within these categories have the meanings given to them in section 1 of the Pension Schemes Act 1993.

267 The reservation includes regulation of pensions and pension schemes, which is given further definition in the interpretation paragraph; those subject to regulation form a non-exhaustive list, which includes trustees, managers, employers and members. Regulation covers both the activities of the Pensions Regulator and the Financial Conduct Authority, (and/or any other regulatory body that may be set up) and the statutory framework for pensions. That framework includes requirements affecting the administration of schemes, the financial management of schemes, including rules on investments, contributions and solvency, and the rights of individual scheme members in relation to transferring and accessing benefits, indexation of rights, requirements for equal treatment of men and women, and rules on the disclosure of information to scheme members.

268 The exception relates to the competence of the Assembly to make provision for the payment of pensions and establishment and administration of schemes in relation to Assembly Members, Welsh Ministers and the Counsel General, under sections 20 and 53 of GoWA and local authorities, which is given further definition in the interpretation paragraph.

269 In all these cases, the provision made will remain subject to the general requirements of pensions legislation and the relevant regulatory body. Pensions are defined as including gratuities and allowances. The reference to pension protection covers arrangements to provide a measure of protection (including payments and compensation) to members in the event of schemes not being able to meet their obligations, such as the Pension Protection Fund and the Financial Assistance Scheme, and any other body or scheme that may be set up to protect members’ pensions.

Section F4 - Public sector compensation

270 This section reserves public sector compensation, whether in the form of a compensation scheme or as part of a public service pension scheme. This includes payments made to public sector workers as a result of incapacity or death as a result of injury or illness and payments made to public sector workers as a result of leaving employment or office. The reservation includes regulation of payments made as a result of leaving office or employment.
271 An exception is made in respect of payments to Assembly Members, the First Minister, Welsh Ministers, the Counsel General, Deputy Welsh Ministers, and members of local authorities (including members of Fire and Rescue Authorities, National Park Authorities and conservation boards for an area of outstanding natural beauty.)

**Section F5 - Armed forces compensation etc.**

272 This section covers compensation payments, allowances and other benefits provided to serving or former members of the Armed Forces (both regulars and reserves), their spouses, civil partners and certain other dependants, and entitled civilians under schemes provided for in secondary legislation made by the Secretary of State for Defence or the Defence Council under statutory or prerogative powers.

273 Payments under the various Armed Forces’ occupational pensions schemes are covered under the reservation in section F3 (occupational and personal pensions).

274 The reservation includes the determination of claims, the provision and administration of compensation, war pensions and ancillary benefits, and the establishment and regulation of public bodies, including tribunals and advisory and executive bodies with related functions.

275 Compensation payments are made in respect of illness, injury, disablement and death of service personnel, ex-service personnel and a wider range of auxiliary, reserve and other personnel, including (in certain circumstances) civilians. As regards the main scheme for the payment of compensation payments which is due to service in the armed forces before 6 April 2005, currently this is set out in the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006. Entitlement arises where disablement or death of a member of the armed forces occurred or arose during this period.

276 Where injury or illness is caused or made worse by, or death is caused by, service in the armed forces on or after 6 April 2005, compensation currently is payable under the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011. Lump sum compensation payments and, for more serious injuries or death, additional regular payments are payable.

277 Other compensation benefits covered by this reservation include resettlement grants, redundancy schemes, payments such as those made under the Armed Forces Early Departure Payments Scheme Regulations 2014 and the Armed Forces Early Departure Payments Scheme Order 2005 and payments to assist service personnel or ex-service personnel undertake further training or education such as those paid under the Armed Forces (Enhanced Learning Credit Scheme and Further and Higher Education Commitment Scheme) Order 2012.

278 The second limb of the reservation mirrors the second limb of F4 (public sector compensation) to ensure that regulation of the compensation schemes is reserved.

279 The third limb of the reservation reserves the subject-matter of a number of particular schemes made under the following enactments which enable provision to be made other than for or in respect of members of the armed forces. These are:

(a) the Personal Injuries (Emergency Provisions) Act 1939. The 1939 Act makes provision for a scheme for making payments in respect of certain personal injuries to civil defence volunteers and civilians during the Second World War;

(b) the Pensions (Navy, Army, Air Force and Mercantile Marine) Act 1939, sections 3 to 5 and 7. Section 3 makes provision for the payment of awards to or in respect of mariners in British ships who have suffered war-related injury or detention. Section 4 makes similar provision for pilots, crews of pilot boats, lighthouses etc., section 5 for certain persons serving on naval ships, and section 7 makes general provision for these schemes; and
(c) the Polish Resettlement Act 1947. The 1947 Act makes provision for war pensions and other payments and assistance to be given to Polish naval and armed forces under British command during the Second World War and Polish resettlement forces and their dependants.

**Head G - Professions**

**Section G1 - Architects, auditors, health professionals and veterinary surgeons**

280 This section reserves the regulation of four categories of professions.

(a) Architects.

281 This includes the Mutual Recognition of Professional Qualifications Directive 2005/36/EC and the sector-specific regulation it applies to in relation to architects (the Architects Act 1997).

282 The Directive has established a system for the recognition of professional qualifications in the EU which seeks to make labour markets more flexible, further liberalise services encourage automatic recognition of qualifications across Member States and simplify administrative procedures.

(b) Auditors

283 The reservation of the regulation of the profession of auditor includes in particular professional qualifications, eligibility to practice and control over standards of professional competence and conduct.

(c) Health Professions

284 The reservation of the regulation of the health professions includes those defined in the interpretation section under eight principal pieces of legislation which apply to the UK as a whole or Great Britain and any other profession concerned with physical or mental health of individuals.

285 There are eight independent statutory bodies who are responsible for regulating these professions. These are the General Chiropractic Council, the Dental Council, the General Medical Council, the General Optical Council, the General Osteopathic Council, the General Pharmaceutical Council, the Nursing and Midwifery Council and the Health and Care Professions Council.

286 These regulatory bodies share the objective in exercising their functions of protecting the public.

287 The professions regulated under this set of legislation are: doctors, dentists, clinical dental technicians, dental hygienists, dental nurses, dental technicians, dental therapists, orthodontic therapists, nurses, midwives, chiropractors, osteopaths, pharmacists, pharmacy technicians, opticians, optometrists, dispensing opticians, arts therapists, biomedical scientists, chiropodists/podiatrists, clinical scientists, dieticians, hearing aid dispensers, occupational therapists, operating department practitioners, orthoptists, paramedics, physiotherapists, practitioner psychologists, prosthetists/orthotists, radiographers and speech and language therapists.

288 Social Workers in England only are also regulated under this legislative framework. Social work in Wales is not governed by this set of legislation and is an exception to the reservation. Social care workers are a regulated profession in Wales and therefore are also an exception to this reservation.

289 The General Optical Council also regulates students in optometry and dispensing optics.

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290 The General Dental Council, General Optical Council and General Pharmaceutical Council also have responsibilities in relation to the regulation of businesses and premises who offer dental, optical or pharmaceutical services.

(d) Vets

291 The regulation of the profession of veterinary surgeon is reserved without exception.

**Head H - Employment**

**Section H1 - Employment and industrial relations**

292 This section reserves employment rights and duties and industrial relations, except for the setting of wages for agricultural workers insofar as this is dealt with by the Agricultural Sector (Wales) Act 2014.

293 This section reserves employment rights and duties and industrial relations, including the subject-matter of the following:

(a) the Employers’ Liability (Compulsory Insurance) Act 1969 which requires employers to insure against liability for injury or disease sustained by employees and arising out of and in the course of their employment;

(b) the Employment Agencies Act 1973 which regulates employment agencies and employment businesses;

(c) the Pneumoconiosis etc. (Workers’ Compensation) Act 1979 which makes provision for lump sum payments to be paid by the State to or in respect of persons disabled by industrial lung diseases caused by various kinds of noxious dust at work;

(d) the Trade Union and Labour Relations (Consolidation) Act 1992. This Act covers a wide range of matters relating to collective labour relations including trade unions, employers’ associations, industrial relations and industrial action;

(e) the Employment Tribunals Act 1996 which relates to employment tribunals and the Employment Appeal Tribunal;

(f) the Employment Rights Act 1996. This Act consolidates enactments about employment rights including protection of wages, maternity rights, unfair dismissal and redundancy;

(g) the National Minimum Wage Act 1998. This Act provides for the setting of minimum wages in almost all sectors of employment;

(h) the Working Time Regulations 1998. These regulations implement aspects of EU Directives on working time: in relation to the protection of young people at work; annual leave, breaks, and rest periods; protections for night workers; and rules for a maximum 48 hour working week including the individual right to opt-out;

(i) the Employment Relations Act 1999. This Act introduced changes to trade union and industrial action legislation including the recognition and derecognition of trade unions by employers. It also introduced new rights and changes to various employment rights including family-related employment rights and new rights for workers to be accompanied in certain hearings;

(j) the Transnational Information and Consultation of Employees Regulations 1999. These Regulations provide for UK employees’ rights to be represented by a European Works Council;

(k) the Employment Act 2002. This Act introduces new and/or amends existing individual employment rights in relation to paternity, adoption leave and maternity pay, flexible working and fixed term work. It also covers employment tribunal reform and resolving disputes.
between employers and employees;

(l) the Gangmasters (Licensing) Act 2004, established the Gangmasters Licensing Authority, which regulates labour providers, employment agencies and businesses who supply workers (‘gangmasters’) to the regulated sectors anywhere in the UK, including the sea bed, shore, and any estuary or tidal river adjacent to the UK. It also created offences relating to acting as and using an unlicensed gangmaster;

(m) the Employment Relations Act 2004. This Act made further changes to industrial action and trade union recognition law. It also made changes to the enforcement procedures relating to the National Minimum Wage and the Agricultural Minimum Wage;

(n) the Work and Families Act 2006. This Act makes provision about statutory rights to leave and pay in connection with the birth or adoption of children; an extension of the right to request flexible working; changes to annual leave entitlements; and increases in the maximum amount of a week’s pay for the purposes of calculating certain remedies in employment tribunals;

(o) the Transfer of Undertakings (Protection of Employment) Regulations 2006 which provide for the protection of employees’ rights on the transfer of an undertaking, such as the sale or disposal of a business;

(p) the Agency Workers Regulations 2010. These Regulations ensure agency workers benefit from equal entitlement rights in terms of basic working and employment conditions;

(q) Part 2 of the Enterprise and Regulatory Reform Act 2013 made changes to the employment tribunal process including provision for agreement of disputes without the need for determination at tribunal and financial penalties for employer breach. It also introduced increased protections available for whistleblowers.

Exception

294 The subject-matter of the Agricultural Sector (Wales) Act 2014 is excepted from the reservation. This Act establishes the Agricultural Advisory Panel for Wales which has the power to fix minimum wages, holiday entitlements and other terms and conditions of employment for agricultural workers in Wales. Apart from this exception about the wages of agricultural workers in Wales, matters relating to wages will fall within the reservation. So, for example, the Assembly is not able to legislate to set a national minimum wage.

Section H2 - Industrial training boards

295 The Industrial Training Act 1982 provides for the establishment of an Industrial Training Board (ITB), and the powers of an ITB to raise a statutory levy, the terms of which are set out in secondary legislation. This section reserves the three ITBs that exist currently.

Section H3 - Job search and support

296 This reservation covers the provision of advice and support to assist people to select, train for, obtain and retain employment or to assist people to obtain suitable employees, including such assistance for disabled persons. The intention behind this reservation is to reserve legislative competence in relation to all work-related programmes for which the Secretary of State is responsible under the Disabled Persons (Employment) Act 1944 and section 2 of the Employment and Training Act 1973 (e.g. Access to Work and Work Choice). Under the Disabled Persons (Employment) Act 1944, the Secretary of State makes arrangements to facilitate disabled people to obtain employment or work on their own account and to train for such employment.

297 Excepted from the reservation is legislative competence in respect of vocational training.
matters relating to careers services and education generally. The National Assembly for Wales (Transfer of Functions) Order 1999 (SI 1999/672) extended concurrent executive functions in relation to the Employment and Training Act 1973. Ministerial functions within the Employment and Training Act 1973 were transferred to the Assembly by a transfer of functions order in 1999, except for sections 2, 4, 5 and 11. These are exercisable concurrently by the Welsh Ministers concurrently with Ministers of the Crown, as the functions transferred to the Assembly were converted to functions exercisable by Welsh Ministers by the operation of paragraph 30 of schedule 11 of GoWA 2006. However, the functions exercisable by the Assembly under section 2 do not include the function of making arrangements for the principal purpose of helping all those (as distinct from a particular section of the population of Wales) without work to find employment and to help employers to fill vacancies, or any function ancillary to that function. Additionally, the functions under sections 2, 5(3) and 11(1) (now repealed) are exercisable by the Assembly free from the requirement for Treasury approval and the function under section 5(2)(b) is exercisable by the Assembly free from the requirement for the approval of the “Minister for the Civil Service”.

**Head J - Health, Safety and Medicines**

**Section J1 - Abortion**

298 This section covers the power to legislate in relation to abortion (currently the Abortion Act 1967 and regulations made under it). Welsh Ministers already have the power to approve independent sector places to perform abortions and to make regulations concerning notification requirements. They are also responsible for the provision of abortion services within Wales.

299 The Department of Health processes notification of abortions performed in Wales and publishes annual statistics on behalf of Welsh Ministers.

**Section J2 - Xenotransplantation**

300 Xenotransplantation is the transplantation of viable organs or other tissues (e.g. bone or cells) from animals to humans, or the use of viable animal tissue extra-corporeally, perhaps as part of a medical device.

301 There is currently no legislation which specifically regulates xenotransplantation, but there are other statutory provisions which touch upon it. For example, the welfare of animals which have been genetically modified for xenotransplantation purposes is covered by the Animals (Scientific Procedures) Act 1986. The subject-matter of that Act, which regulates the use of animals for experimental or scientific purposes (including vivisection), is reserved by section B18. A non-statutory body, the UK Xenotransplantation Interim Regulatory Authority (UKXIRA) exists to monitor and regulate developments in the xenotransplantation field.

302 The whole area of xenotransplantation is reserved including the regulation of any activities connected with xenotransplantation.

**Section J3 - Embryology, surrogacy and genetics**

303 Certain matters in the health field which raise major ethical issues and/or which require expertise to be pooled at a United Kingdom level for them to be satisfactorily regulated are reserved. The reservation of surrogacy reserves surrogacy arrangements, as defined by the Surrogacy Arrangements Act 1985, including the subject-matter of the 1985 Act.

304 The 1985 Act defines surrogacy arrangements by reference to a ‘surrogate mother’ who is a woman who carries a child in pursuance of an arrangement made before she began to carry the

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child and made with a view to that child being handed over to, and the parental rights being exercised by, another person. The arrangement is a surrogacy arrangement if, were a woman to whom the arrangement relates to carry a child in pursuance of it, she would be a surrogate mother.

The Act makes provision prohibiting third parties from initiating or negotiating any surrogacy arrangements on a commercial basis, receiving any payments from the surrogate mother or the person for whom she is carrying the child and advertising in connection with surrogacy arrangements.

The Act does not however deal with the legality under the common law of surrogacy arrangements. It is not an offence under the common law or the 1985 Act for persons to enter into a private arrangement. Section 36(1) of the Human Fertilisation and Embryology Act 1990 ("the 1990 Act") amended the 1985 Act to the effect that no surrogacy arrangement is enforceable and the 1990 Act also makes provision as to the parentage of children born as the result of surrogacy arrangements.

The Assembly will not be able to legislate in respect of any matter relating to surrogacy arrangements within the meaning of the 1985 Act, including the legality of surrogacy arrangements for the purposes of the criminal law or the enforceability of any such arrangements for the purposes of the civil law nor will the Assembly be able to amend the provisions of the 1985 Act.

The embryology reservation reserves the subject-matter of the 1990 Act, as amended, which deals principally with:
- the regulation of the creation, keeping or using of human embryos or gametes outside the body;
- the regulation or prohibition of any activities involving the creation, keeping or using of human embryos or gametes outside the body, including research and the provision of infertility treatment services; and
- the definition of the parents of any child being or having been carried by a woman as the result of the placing in her of an embryo or of eggs and sperm or her artificial insemination.

The 1990 Act also established the Human Fertilisation and Embryology Authority which regulates research or treatment which involves the creation, keeping and using of human embryos outside the body, or the storage or donation of human eggs and sperm.

The 2008 HFE Act amended the 1990 Act to make provision regarding the parentage of children born as a result of surrogacy arrangements and confers a power on the Courts to make an Order providing for a child born as a result of a surrogacy arrangement to be treated in law as the child of the couple who commissioned the surrogate mother to carry the child.

Reservation of human genetics: all matters relating to human genetics not already reserved by the reservation of the subject-matter of the 1990 Act are reserved. This includes research, testing or treatment concerning the human genome or genetic disorders including gene therapy research and all matters relating to the social, ethical and economic consequences of human genetics, such as providing genetic tests for insurance or employment purposes or patenting genetic material.

**Section J4 - Medicines, medical supplies, biological substances etc.**

This section reserves Medicinal Products. This includes the regulation of prices and profit.

The interpretation provision under section E2 states that “Medicinal Products” has the same
meaning as in the Human Medicines Regulations 2012 (SI 2012/1916).

314 It also covers medicines regulation including manufacturing, licensing, wholesale dealing, advertising and regulation of clinical trials.

315 This section reserves Medical Supplies, and includes the regulation of prices. “Medical Supplies” has the same meaning as in section 260 of the NHS Act 2006.

316 This section reserves biological standards including testing of biological substances.

317 In this context or in the context of the work of the National Institute for Biological Standards and Control/Medicines and Healthcare products Regulatory Agency, “biological substances” means specifically “biological medicines”. These are a specific class of medicinal substances which are manufactured from biological sources as a starting material. Examples would be medicines made from human blood (eg albumin or immunoglobulins), from microbes (eg vaccines), or from biotechnology processes such as engineered cells (eg antibodies).

318 This section reserves veterinary medicinal products, including manufacture, authorisations for use and regulation of prices.

319 The reservation has the effect of reserving the monitoring (pharmacovigilance) and taking action on reports of bad effects from veterinary medicines; testing for residues of veterinary medicines or illegal substances in animals and animal products; the assessment and processing of applications authorisations to sell veterinary medicinal products (including homeopathics) in the UK; controlling how veterinary medicines are made and distributed in the UK; advising ministers on developing veterinary medicines policy; and making, updating and enforcing UK legislation on veterinary medicines.

320 This section reserves specified feed additives. The reservation has the effect of reserving the approval and inspection of feed business operators wishing to manufacture and distribute certain types of animal feeding stuffs containing specified feed additives. The approval and inspection covers the production, labelling, possession supply record-keeping requirements and sampling of feeding stuffs containing specified feed additives and ensures that the requirements of EU Regulation 1831/2003 are met. It also covers the potential for enforcement action to be taken in cases where the requirements of the Veterinary Medicines Regulations are not adhered to.

321 This section reserves the approval and inspection of feed business operators wishing to manufacture and distribute certain types of animal feeding stuffs containing veterinary medicinal products. The approval and inspection covers the production, labelling, possession supply, record-keeping requirements and sampling of feeding stuffs containing veterinary medicinal products. It also ensures that prescriptions for feeding stuffs containing veterinary medicines are completed correctly and the feed produced matches the prescription. It also covers the potential for enforcement action to be taken in cases where the requirements of the Veterinary Medicines Regulations are not adhered to.

322 This section reserves the vaccine damage payments scheme (VDPS). The VDPS provides a one-off, tax-free lump sum payment (currently £120,000) for people who have become severely disabled as a result of vaccination against those diseases listed in the Vaccine Damage Payments Act 1979. Policy responsibility for VDPS legislation resides in the Department for Health, while the Department for Work and Pensions administers the Scheme, makes payments and takes professional medical advice on each individual case.

323 In Great Britain the assessment of the level of disablement for the VDPS is the same as that used for the purposes of section 103 of the Social Security Contributions and Benefits Act 1992. In Northern Ireland it is the same as that used for the purposes of section 103 of the Social

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Section J5 - Welfare foods

324 This section reserves welfare foods. The UK Government makes provision for welfare foods schemes in regulations made under section 13 of the Social Security Act 1988 (which concerns benefits under schemes for improving nutrition for pregnant women, mothers and children). The current schemes are the Nursery Milk Scheme and the Healthy Start Scheme. The Nursery Milk Scheme provides for reimbursement of the cost of specific amounts of milk provided to children under the age of 5 who are looked after for a prescribed amount of time by approved day care providers. The Healthy Start Scheme provides food vouchers, which can be exchanged for Healthy Start food at retailers registered to receive the vouchers, and vitamins vouchers, which can be exchanged at NHS outlets. Entitlement to Healthy Start is linked to whether the recipient or, as the case may be, a member of their family, is in receipt of certain means tested social security benefits or child tax credit.

Section J6 - Health and safety

325 This section reserves the Health and Safety Executive (“HSE”), which is a statutory body established under Part 1 of the Health and Safety at Work etc. Act 1974 (“the 1974 Act”). By virtue of the named bodies reservation in paragraph 199 of Schedule 7A, the constitution of HSE is reserved. The conferring, imposing, modifying or removing of HSE’s functions, or functions specifically exercisable in relation to it, is also reserved.

326 In addition, this section reserves the rest of the subject matter of Part 1 of the 1974 Act. That Part makes provision for the general purposes of securing the health, safety and welfare of persons at work, protecting persons other than persons at work against risks to health or safety arising out of or in connection with the activities of persons at work, and controlling the keeping and use of explosive or highly flammable or otherwise dangerous substances, and generally preventing the unlawful acquisition, possession and use of such substances. The reservation of the subject matter of Part 1 of the Health and Safety at Work etc Act 1974 includes process fire precautions, fire precautions in relation to petroleum and petroleum spirit and fire safety on ships and hovercraft, in mines and offshore installations. All other aspects of fire safety in Wales, including regulation and prohibition, are within the legislative competence of the Assembly.

327 This section reserves the employment medical advisory service, which is established by Part II of the 1974 Act. EMAS has functions of advising Ministers, HSE, employers and employees on health in relation to employment. By virtue of the named authorities reservation in paragraph 199 of Schedule 7A, the effect of this reservation is that the Welsh Assembly is not able to legislate about EMAS’s functions, or functions specifically exercisable in relation to it, but may, for example, legislate about promoting health in the work place.

328 This section covers the taking of steps for the purposes of protecting the public in Wales from radiation (whether ionising or not). Such steps could include the conduct of research or taking of other steps for advancing knowledge or understanding; providing technical services; providing services for the prevention, diagnosis or treatment of illness arising from exposure to radiation; providing training; providing information and advice; and making available the services of any person or any facilities. Such functions are currently performed by the Centre for Radiation, Chemical and Environmental Hazards, Centre for Radiation, Chemicals and Environmental Hazards (CRCE), which is part of Public Health England.

Head K - Media, Culture and Sport

Section K1 - Media
329 This section reserves broadcasting and other media.

330 All regulatory responsibilities relating to television and radio broadcasting will be reserved including the functions of Ofcom, (the independent communications regulator).

331 All media content including press and digital, and related issues such as journalistic freedom, are reserved matters.

332 All EU and international responsibilities relating to broadcasting and other media, including those arising under various EU directives and other international agreements are reserved.

333 This section reserves the functions and regulation of the BBC.

Section K2 - Public lending right

334 This section reserves the Public Lending Right, so that authors, illustrators and other rights holders have the right to receive payment for the loans of their books by public libraries across the UK.

Section K3 - Government Indemnity Scheme

335 This section reserves the power to legislate to issue Government indemnities for objects, such as paintings and antiquities, on loan to museums, art galleries etc.

336 The current “Government Indemnity Scheme” is established under powers conferred by sections 16 and 16A of the National Heritage Act 1980. It empowers the Secretary of State to issue indemnities in favour of lenders, for the loss of or damage to objects loaned to certain institutions, bodies or persons, including museums, art galleries, libraries, and the National Trust.

Section K4 - Property accepted in satisfaction of tax

337 This section reserves the power to legislate in relation to payments to Her Majesty’s Revenue and Customs in respect of property accepted in satisfaction of tax, and the disposal of such property.

Section K5 - Sports grounds

338 This section reserves sports grounds safety. This ensures a consistent approach to sports grounds safety across England and Wales to ensure the safety of spectators.

339 This includes but is not limited to:

- designation of sports grounds by the Secretary of State under the Safety of Sports Grounds Act 1975 as requiring a local authority safety certificate;

- regulation of regulated stands under Part 3 of the Fire Safety and Safety of Places of Sports Act 1987;

- the football licensing scheme established by the Football Spectators Act 1989 to regulate the spectator viewing accommodation, including a requirement for all-seater accommodation at Premier League and Championship League grounds.

340 The Sports Grounds Safety Authority operates the licensing scheme and monitors local authority safety certificates.

Head L - Justice

Section L1 - The legal profession, legal services and claims management services

341 This section reserves legal services and the legal profession. This includes the subject matter of

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the Legal Services Act 2007 and other legislation which makes provision for the regulation of
the legal profession and legal services and the powers and functions of legal services
regulators.

342 This section reserves claims management services. This includes the authorisation of persons
providing claims management services and the regulation of those authorised persons. Claims
Management Regulation covers six claims sectors: personal injury, financial products/services,
employment, criminal injuries, industrial injuries, and housing disrepair.

Section L2 - Legal aid

343 Responsibility for the provision of legal aid in England and Wales rests with the Lord
Chancellor under the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (and its
predecessor legislation, the Access to Justice Act 1999, which continues to apply to a number of
older cases)

344 The legal aid scheme is administered by the Legal Aid Agency, an executive agency sponsored
by the UK Government’s Ministry of Justice. This section therefore provides that legal aid will
remain a reserved matter.

Section L3 - Coroners

345 This section reserves the subject matter of Part 1 of the Coroners and Justice Act 2009. This
means that matters such as coroners’ statutory duties; appointments and remuneration; and
coroner areas are reserved matters.

346 Under Schedule 2 to the 2009 Act, if the Lord Chancellor is considering altering coroner areas
in Wales he or she must consult Welsh ministers and any other person he or she thinks
appropriate.

347 Under section 24 of the 2009 Act local authorities are responsible for funding local coroner
services.

Section L4 - Arbitration

348 This section reserves arbitration. The reservation is intended to cater for any agreement to
submit a dispute, other than by litigation, to a person or persons for a decision. The reservation
is also intended to operate where there is a statutory obligation to arbitrate a dispute. The
reservation is not intended to cater for other forms of alternative dispute resolution such as
mediation or conciliation

Section L5 - Mental capacity

349 This section reserves the subject matter of the Mental Capacity Act 2005. The 2005 Act provides
a statutory framework to empower and protect vulnerable people who are not able to make
their own decisions. It makes it clear who can take decisions, in which situations, and how they
should go about this. It enables people to plan ahead for a time when they may lose capacity
It also establishes the Court of Protection, for taking decisions in cases concerning people who
lack capacity, and the Office of the Public Guardian, with functions in in particular in relation
to Lasting Powers of Attorney and the supervision of deputies appointed to take decisions on
behalf of persons who lack capacity.

350 The subject matter of the 2005 Act includes deprivation of liberty. Deprivation of Liberty
Safeguards (DoLS) exist to protect individuals who lack capacity and are accommodated in a
care home and/ or hospital and subject to restrictions on their freedom of movement and
choice that may amount to a “deprivation of liberty”.

351 “Managing authorities” (care homes and hospitals) apply to “supervisory bodies” (local

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authorities) who commission independent assessments and make the ultimate decision as to whether to authorise a deprivation of liberty if shown to be the least restrictive appropriate care/treatment and in the best interests of the person concerned.

Section L6 - Personal data

352 This section reserves the protection of personal data. The Data Protection Act 1998 is the current statutory framework for the protection of personal data. The 1998 Act transposes Directive 95/46/EC into UK legislation.

Section L7 - Information rights

353 This section reserves public access to information held by a public authority. Information held by the Assembly, the Assembly Commission, the Welsh Government or any Welsh public authority is excepted from the reservation. However, information which has been supplied by a Minister of the Crown or government department and which is held by any of those bodies in confidence continues to be reserved. Subject to that qualification, however, the Assembly can legislate about public access to information held by any of those bodies.

Section L8 - Public sector information


355 The aim of INSPIRE is to facilitate better environmental policy across the European Union by improving the joining up of and access to existing spatial data across the European Union. Spatial data is defined in the INSPIRE Regulations as any data with a direct or indirect reference to a specific location or geographical area. The INSPIRE Regulations impose a duty on public authorities to establish and operate network services in relation to any spatial data set or spatial data service they hold or operate. This enables the spatial data sets and spatial data services to be available for use by other public authorities. The INSPIRE Regulations also provide a mechanism for public access to spatial data sets and special data services, subject to limitations.


357 The legal framework for the re-use of public sector information is designed to facilitate the re-use (by members of the public and organisations) of documents that public sector bodies have collected or produced in order to fulfil public tasks, for purposes other than those public tasks.

Section L9 - Public records

358 Paragraph 171 reserves the subject matter of the Public Records Act 1958. The Public Records Act 1958 makes provision for the preservation, care of, and responsibility for, public records and provides a basis for archival custody by a statutory archival institute or other body.

359 “Public records” are defined in Schedule 1 to the Public Records Act 1958 and comprise records of government departments and certain non-departmental public bodies.

360 “Welsh public records” also currently fall within the Public Records Act 1958 by virtue of section 146 of the Government of Wales Act 2006. Welsh public records include the records of the Welsh government (the Welsh Office from 1964 until 1999; the Assembly from May 1999 to June 2007; the Welsh Assembly Government from June 2007 to May 2011) and a number of sponsored bodies affiliated to it.

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Section L10 - Compensation for persons affected by crime and miscarriages of justice

361 This section reserves the provision of compensation for persons affected by crime. This includes for example the Criminal Injuries Compensation Scheme made by the Secretary of State for Justice under the Criminal Injuries Compensation Act 1995 and the Victims of Overseas Terrorism Scheme made under section 47 of the Crime and Security Act 2010. The Criminal Injuries Compensation Authority administers both schemes.

362 This section reserves decisions on eligibility for compensation as a miscarriage of justice. The Secretary of State for Justice will continue to administer the scheme under s. 133 of the Criminal Justice Act 1988.

Section L11 - Prisons and offender management

363 This section reserves prisons and offender management.

364 Sub-paragraph (1) sets out the reservation in respect of prisons and other institutions for the detention of persons charged with or convicted of offences. It should be read with the exception in respect of accommodation provided by or on behalf of a local authority for the purpose of restricting the liberty of children or young persons.

365 Sub-paragraph (2) reserves the management of persons charged with or convicted of offences (whether or not they are detained), and the management of other persons required to be detained. This includes all matters in relation to the detention of such persons or the management in the community of such persons, for example where a person is detained, how a person is treated, disciplinary measures, a person’s temporary release from detention and a person’s licence conditions.

366 Sub-paragraph (3) sets out matters which are within the reservation and is not an exhaustive list. The exception sets out that the provision of health care, social care, education or training in the context of prisons and offender management is not reserved.

Section L12 - Family relationships and children

367 This reservation comprises four areas which cover the field of family law (family law and proceedings having been explicitly excepted from the conferred matter of social welfare under Schedule 7 to the Government of Wales Act 2006). Those areas are:

(1) Marriage, civil partnership and cohabitation, covering the nature of the relationship and its formation; formal and substantial validity including formal requirements and capacity to enter into the relationship; the legal incidents of the relationship (such as the duty to maintain between spouses or civil partners, and the effect on property rights); and dissolution including the grounds and process for divorce or other dissolution, and financial provision and property adjustment on divorce or other dissolution;

(2) Parenthood, parental responsibility, child arrangements and adoption, covering who is a parent, the nature of parental responsibility and how it is acquired and may be lost or its exercise restricted; private law arrangements for children (such as the various matters which may be the subject of a child arrangements order or other Part 2 order under the Children Act 1989); and adoption (including the nature and effect of adoption, and intercountry adoption as well as domestic adoption, but not adoption agencies and their functions, which are the subject of an exception to this reservation reflecting the carving out of this aspect from the exception from the conferred matter of social welfare under Schedule 7 to the 2006 Act;

(3) Public law children orders and proceedings, such as proceedings for care or supervision orders and other proceedings related to the care, supervision or protection of children;

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(4) Civil remedies in respect of domestic violence, domestic abuse and female genital mutilation, such as non-molestation orders, occupation orders, forced marriage protection orders and other protective orders assigned to the family court or Family Division of the High Court.

In this reservation the term ‘adoption’ is used to include both domestic and intercountry adoption. The functions of the Central Authority under the Hague Convention on Protection of Children and Co-operation in respect of Intercountry adoption are not subject to the exception for adoption agencies and their functions.

Section L13 - Gender recognition

368 Paragraph 178 reserves gender recognition. This is the process by which a person changes their legal gender and the legal implications and registration of that change.

369 This means the subject matter of the Gender Recognition Act 2004 and the operation and functioning of the Gender Recognition Panel are reserved matters.

Section L14 - Registration of births, deaths and places of worship

370 This section reserves the registration of births (including stillbirths) and deaths and their associated functions.

371 This section reserves the recording by the Registrar General of buildings used as places of religious worship under section 2 of the Places of Worship Registration Act 1855.

Head M - Land and Agricultural Assets

Section M1 - Registration of land and land charges

372 This section reserves the subject matter of the Land Charges Act 1972, which makes provision in connection with all functions and powers relating to land charges and the registers of pending actions, writs and orders and deeds of arrangement include functions and activities carried out by the Chief Land Registrar (and its staff), Secretary of State, Lord Chancellor and HM Treasury.

373 This section reserves the subject matter of the Land Registration Act 2002 which makes provision in connection with all functions and powers relating to land registration and the provision of services relating to land or other property, and to the operation of HM Land Registry and include functions and activities carried out by the Chief Land Registrar (and his staff), Secretary of State, Lord Chancellor, Lord Chief Justice and HM Treasury.

374 This section reserves Part 1 of the Commonhold and Leasehold Reform Act 2002 which makes provision in connection with all functions and powers relating to registration of commonhold land and units and includes functions and activities carried out by the Chief Land Registrar (and his staff), the Secretary of State and the Lord Chancellor.

Section M2 - Local land charges

375 This section reserves local land charges. The Local Land Charges Act 1975 makes provision in connection with the keeping of local land charges registers and the registration of matters therein. The reservation covers what may be a local land charge, where they are to be registered and related matters set out in the Local Land Charges Act 1975 and the rules made under it. The reservation is subject to an express exception for fees. The power to set fees in relation to local land charges was transferred to the Assembly in 2004. The reservation does not affect the creation of individual local land charges by local authorities and others in Wales.

Section M3 - Registration of agricultural charges and debentures

376 This section reserves the subject matter of sections 9 and 14 of the Agricultural Credits Act 1928.

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which make provision in connection with all functions and powers relating to agricultural charges and debentures on farming stock. These include functions and activities carried out by the Chief Land Registrar (and his staff), Secretary of State and HM Treasury.

Section M4 - Development and buildings

377 This section reserves planning including the subject matter of Parts 2 to 8 of the Planning Act 2008, but only in relation to certain types of development.

378 Applications for planning permission are generally determined by local planning authorities in the area that the development is brought to ensure that local communities are able to engage with the process. Given the localist nature of the system, town and country planning is generally devolved.

379 This section reserves the Community Infrastructure Levy. The Community Infrastructure Levy ('CIL') is a planning charge used as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It was brought into force on 6 April 2010 by the CIL Regulations 2010, which provide that development may be liable for a CIL charge if the respective local planning authority has opted to set a charge in its area.

380 This section reserves the compulsory purchase of land. The compulsory purchase of land includes the process for making and confirming compulsory purchase orders; the process for entry and taking possession of land once compulsory powers have been obtained; and compensation.

381 This section reserves the design and construction of buildings, the demolition of buildings, and services, fittings and equipment provided in or in connection with buildings. These are all the subject matter of the Building Act 1984. Functions of the Secretary of State under that Act however have largely been transferred to the Welsh Ministers. Certain further functions are transferred by Clause 45 (transfer of functions in relation to excepted energy buildings) of the Bill.

Head N - Miscellaneous

Section N1 - Equal opportunities

382 This section reserves equal opportunities and outlines the exceptions to it, to clarify the scope of the Assembly's competence to legislate for equalities.

383 Specifically, the Assembly can encourage equal opportunities in Wales, including observance of the law on equal opportunities by employers, service providers and those who exercise public functions.

384 The Assembly may also impose duties on Welsh public authorities and specified authorities (defined as the First Minister, Welsh Ministers, the Counsel General and the Assembly Commission) requiring them to put arrangements in place to ensure that their functions are carried out in a way that pays due regard to their obligations to meet equal opportunities law in Wales and Great Britain.

385 The exception also specifies that the Assembly may legislate about equal opportunities, and in particular protected characteristics, as defined in the Equality Act 2010, in relation to non-executive appointments to the boards of Welsh public authorities.

386 Beyond this, the Assembly may introduce, for Welsh public authorities and specified authorities, protections and requirements that supplement but do not modify the existing provisions of the Equality Act 2010 (the 2010 Act) and may for ease and effectiveness use passages from that Act when formulating new legislation, provided this does not affect how
such text applies for the original purposes intended in the Act.

387 Finally definitions for the key terms used in this reservation are listed.

Section N2 - Control of weapons

388 This section reserves the control of weapons of mass destruction.

389 There are three existing enactments dealing with matters covered by this reservation: the Biological Weapons Act 1974, which prohibits the development, production, acquisition and possession of certain biological agents and toxins and of biological weapons; the Chemical Weapons Act 1996, which is concerned with the control of chemical weapons and certain toxic chemicals; and the Nuclear Explosions (Prohibition and Inspections) Act 1998. Certain matters relating to firearms are also reserved.

390 This reserves the control of nuclear, biological, chemical and any other weapon of mass destruction, as distinct from other weapons, such as firearms which is covered by section B13.

Section N3 - Ordnance Survey

391 Ordnance Survey is the national mapping agency of Great Britain and is a UK government-owned company. Mapping is not generally a reserved matter but, by reserving Ordnance Survey by name in Part 2 of Schedule 7A, this means paragraph 199 of Schedule 7A entitled ‘particular authorities’ applies and reserves the functions and constitution of Ordnance Survey’.

Section N4 - Time

392 The reservation covers:

- the designation of the timescales and time zones used in the UK and matters related to them such as Greenwich Mean Time or co-ordinated Universal Time;
- the determination of summer time, under the Summer Time Act 1972;
- the determination of units of time such as minutes, hours, days, months and years and the calendar generally;
- the determination of bank holidays under the Banking and Financial Dealings Act 1971; and
- the determination of the date of Easter.

393 The computation of periods of time are excepted from this reservation. This would for example cover whether particular days are to be included when periods of time are calculated.

Section N5 - Outer space

394 This section reserves all matters connected with outer space. Under the Outer Space Act 1986 the Secretary of State is responsible for the granting of licenses to any UK body or person intending to engage in activities in outer space. This relates to the fact that the UK Government has potential liability under international law for damage caused through such activities. The licensing of such activities, and all other matters relating to the regulation of such activities is reserved.

395 The reservation extends to all matters related to the regulation of activities in outer space. In addition the negotiation of international agreements relating to outer space would fall within the reservation of foreign affairs under Paragraph 8 of Schedule 7A.
Section N6 - Antarctica

396 This section extends to all matters connected with Antarctica. The Antarctic Acts 1994 and 2013 give effect to obligations of the United Kingdom under the Antarctic Treaty and the Treaty’s Environmental Protocol (the Protocol). Under the 1994 Act the Secretary of State is responsible for granting permits, which are required for all British expeditions to Antarctica, for British vessels and aircraft entering Antarctica and for certain activities in Antarctica by United Kingdom nationals. The 2013 Act implements Annex VI to the Protocol, and requires Antarctic operators (governmental and non-governmental) to take preventative measures to reduced the risk of environmental emergencies in Antarctica, to establish contingency plans and to take prompt and effective response action to environmental emergencies arising from their activities. The negotiation of international agreements and formation of policy relating to Antarctica falls within the reservation for foreign affairs under Paragraph 8 of Schedule 7A.

Section N7 - Deep sea bed mining

397 This section reserves activities for the purposes of deep sea bed mining operations. Part XI of the United Nations Convention on the Law of the Sea, as modified by an Agreement on the Implementation of Part XI adopted in 1994, (“the Convention”) makes provision for the regulation of mining on the deep sea bed. In broad terms, the system involves a contractor being sponsored by a State Party, which must in turn be able to exercise effective control over that contractor under its own law. A contractor must then enter into a contract with the International Seabed Authority before it can start exploring for or exploiting the mineral resources of the deep sea bed. The Deep Sea Mining Act 1981 (as amended by the Deep Sea Mining Act 2014) gives effect to the UK’s obligations under the Convention. It confers powers on the Secretary of State to grant exploration or exploitation licences allowing persons to exploit or explore mineral resources of a specified description in a specified area of the deep sea bed. The reservation extends to all matters for the purposes of deep sea mining operations. Negotiation of international agreements relating to the deep sea bed are covered by the reservation for foreign affairs under Paragraph 8 of Schedule 7A.

Section N8 - The Children’s Commissioner

398 This section reserves the office of the Children’s Commissioner which has the primary function of promoting and protecting the rights of children in England. The Commissioner’s remit also extends to Scotland, Wales and Northern Ireland in relation to non-devolved matters as set out in the Children and Families Act 2014.

Section N9 - School teachers’ pay and conditions

399 This section reserves the determination of the remuneration of school teachers in maintained schools and other conditions of their employment which relate to their professional duties and working time.

Part 3

400 Part 3 of the Schedule makes general provision about Welsh public authorities, the reservation of particular authorities mentioned or described in Part 2 of the Schedule, Welsh language functions and the interpretation of the Schedule.

401 Paragraph 196 provides that the reservation of subject matters by Schedule 7A does not reserve the constitution of a public authority if its functions are exercisable only in relation to Wales and are wholly or mainly functions that do not relate to reserved matters. The reservation also extends to functions specifically exercisable in relation to such an authority and accounting and procurement functions.
402 By virtue of paragraph 197 the reservation for the Crown does not cover certain public authorities who have no reserved functions.

403 Paragraph 198 extends paragraph 196 to cover devolved tribunals.

404 Paragraph 199 reserves the constitution of particular authorities and their functions. A consequence of this reservation is that paragraph 8 of Schedule 7B cannot apply to the authority. In other words, an appropriate Minister does not possess the power to consent to the provision.

405 Paragraph 200 prevents the Schedule from reserving Welsh language functions other than where they relate to a Court.

406 The purpose of paragraph 201 is to make clear that where a reservation in Schedule 7A is expressed in terms of the subject-matter of a particular Act, the amendment of that Act after commencement of the Wales Bill will not disturb the devolution settlement


407 For the purposes of new section 108A(2)(d) (as inserted by clause 3(1) of the Bill), Part 1 of Schedule 7B sets out the general restrictions on the Assembly’s legislative competence; Part 2 sets out the general exceptions to those general restrictions. Clause 3(2) provides that this Schedule, together with Schedule 7A, replaces Schedule 7 to GoWA.

408 Schedule 7B forms part of a separate legislative competence test from Schedule 7A. Schedule 7A is part of the section 108A(2)(c) test and details the subject matters that an Assembly Act provision can and cannot "relate to" (applying the section 108A(6) purpose test). However, even where an Assembly Act provision satisfies that test in section 108A(2)(c) by not relating to a Schedule 7A reserved matter, it may nevertheless be outside competence under the separate section 108A(2)(d) test which is that an Assembly Act provision cannot breach the restrictions in Part 1 of Schedule 7B (having regard to the exceptions in Part 2 of Schedule 7B).

409 Paragraph 1 of Schedule 7B prevents an Assembly Act provision from modifying the law on reserved matters. The law on reserved matters is defined in paragraph 1(2) essentially as any UK Parliament enactment or any rule of common law, the subject matter of which is a reserved matter. The reference to enactments is not limited to the enactments listed by name in Schedule 7A; it therefore includes all the law (enactments and common law) about a reserved matter..

410 Whilst Schedule 7A is intended to deal with the parameters of future Assembly Acts in terms of reserved matters about which it cannot legislate, the restrictions in paragraphs 1 and 2 of Schedule 7B are intended to provide a separate form of protection for the existing legislation and common law which has a reserved matter as its subject matter.

411 Whilst the purpose of an Assembly Act provision may not be reserved (meaning such provision does not fall foul of section 108A(2)(c) and Schedule 7A), it may nevertheless modify the law on reserved matters, for example to enforce or otherwise give effect to that provision.

412 Paragraph 2 incorporates an exception to paragraph 1 which is in very similar terms to the exception in new section 108A(3). Paragraph 2(1) provides that an Assembly Act provision can modify the law on reserved matters where such modification:

   a. is ancillary (as defined in new section 108A(7)) to a provision which does not relate to reserved matters, and

   b. has no greater effect on reserved matters than is necessary to give effect to the purpose of that provision.

413 In other words, the law on reserved matters can be incidentally/consequentially modified for a
devolved purpose, provided such modification does not go further than it needs to, in order to achieve the devolved objective. The intention is to allow the Assembly sufficient latitude to modify the law on reserved matters for a purpose that does not relate to a reserved matter, provided the modification does not go beyond what is necessary to deliver the policy goal. The constraints created by the law on reserved matters provisions are intended to set out how far Parliament is content for the Assembly to go in modifying legislation which is the responsibility of the UK Parliament. Where modifications beyond the constraints of paragraphs 1 and 2 of Schedule 7B are required, and there is agreement between the administrations, an Order by the Secretary of State under section 150 of GoWA is the appropriate vehicle to achieve the required outcome.

414 To give an example, a Planning (Wales) Bill could seek to modify the Communications Act 2003 in order to give effect to a devolved planning policy. Such a provision could satisfy the section 108A(2)(c) test by applying the purpose test and concluding that it does not relate to the reserved matter of telecommunications in Section C9 of Schedule 7A, and instead relates to the devolved subject of planning. However, it could nevertheless fall foul of section 108A(2)(d) if, for example, although the modifications to the Communications Act 2003 were ancillary (thereby satisfying paragraph 2(1)(a) of Schedule 7B), they nevertheless had a greater effect than necessary to give effect to the devolved policy (thereby failing to satisfy paragraph 2(1)(b) of Schedule 7B). In other words, the same planning policy objective could be achieved but with a lesser impact on the Communications Act 2003.

415 Paragraph 2(2) clarifies that, in determining what is “necessary” for the purposes of paragraph 2(1)(b), it is not relevant that the UK Parliament could itself have enacted the provision.

416 Paragraph 3 provides that provisions within Acts of the Assembly cannot modify the private law.

417 The private law is defined as the law of contract, agency, bailment, tort, unjust enrichment and restitution, property, trusts and succession. Intellectual property rights relating to plant varieties or seeds are not covered by the restriction.

418 Paragraph 3(4) creates an exception to the restriction in paragraph 3(1), so that the Assembly can modify the private law for a purpose that does not relate to a reserved matter. However, the words “other than a modification of the private law” in paragraph 3(4) prevent the Assembly from modifying the private law for its own sake. In other words, the purpose of the provision cannot be to modify the private law; it must be for a non-reserved purpose.

419 Paragraph 4 prohibits the Assembly from legislating to modify or create an offence in the following listed categories of offences:

(a) treason and related offences;

(b) homicide offences (including offences relating to suicide) and other offences against the person (including offences involving violence or threats of violence) that are triable only on indictment;

(c) sexual offences (including offences relating to indecent or pornographic images);

(d) offences of a kind dealt with by the Perjury Act 1911.

420 The provision also prohibits the Assembly from modifying the law about:

(a) criminal responsibility and capacity,

(b) the meaning of intention, recklessness, dishonesty and other mental elements of offences,

(c) inchoate and secondary criminal liability, or

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55
(d) sentences and other orders and disposals in respect of defendants in criminal proceedings, or otherwise in respect of criminal conduct, and their effect and operation.

421 This means that whilst the Assembly can legislate for offences in relation to non-reserved matters, the Assembly is not able to modify offences falling within the listed categories of offences (including defences), nor create new offences that would fall within these categories. By way of example, the Assembly may specify the mental element which is to comprise an ingredient of an offence in a devolved area but paragraph 4(3)(b) would prevent the Assembly from giving a different meaning to mental element concepts such as “intention”, “recklessness” or “dishonesty” than that which applies generally. Similarly, the Assembly can create new attempt offences in a non-devolved area but paragraph 4(3)(c) would preclude the Assembly from modifying the meaning of “attempt”.

422 The aspects of the criminal law listed in paragraph 4(3) ensure that these fundamental elements of the criminal law that apply in England and Wales cannot be altered by the Assembly. However, the Assembly is able to apply these existing frameworks to offences it creates.

423 The reference to sentences in paragraph 4(3)(d) protects the suite of sentences, disposals and other orders available to the court, from an absolute discharge, to a hospital order under the Mental Health Act 1983, to ancillary orders such as a compensation order. The effect and operation of sentences covers when such sentences are available (for example, an Extended Determinate Sentence is only available for offences included in Schedule 15 to the CJA 2003), and the requirements available as part of the community order; the release arrangements for a custodial sentence, which may include release by the Parole Board; the ability to suspend custodial sentences; how consecutive and concurrent sentences operate; recall and re-release; and repatriation of offenders. The reference to “disposals…otherwise in respect of criminal conduct” also covers out of court disposals.

424 Paragraph 4(5) confirms that protecting the specific categories of offence in paragraph 4 does not affect the reservation by virtue of Schedule 7A of the creation or modification of criminal offences in relation to reserved matters.

425 Paragraphs 5 and 6 provide that an Assembly Act provision cannot modify certain provisions of certain enactments.

426 Paragraph 5 includes a table of protected enactments. These are enactments that an Assembly Act provision cannot modify, textually or non-textually, under any circumstances. Protected enactments have a different status from the enactments that are listed in Schedule 7A. Reserved matters may include the “subject matter of” an enactment which, subject to the section 108A(6) purpose test, reserves generally what that enactment is about, rather than its precise terms. Paragraphs 1 and 2 of Schedule 7B, for example, allow the law on reserved matters to be modified in minor ways. Protected enactments, on the other hand, whilst not reserved matters as such, do have their precise content entirely protected from modifications by paragraph 5. There are no exceptions to this prohibition.

427 Paragraph 6 provides that an Assembly Act provision cannot modify an Act of Parliament (other than GoWA) if it requires sums required for the repayment of amounts borrowed by the Welsh Ministers to be charged on the Welsh Consolidated Fund.

428 Paragraph 7 sets out which are the protected provisions of GoWA. Although paragraph 7(1) creates a general prohibition on an Assembly Act provision modifying GoWA, paragraph 7(2)-(7) qualifies that prohibition so that the Assembly is able to modify the provisions of GoWA that are related to the areas where the Assembly has legislative competence.
Paragraph 8 creates a general rule that an Assembly Act provision cannot without the consent of the appropriate Minister confer functions on reserved authorities, or modify the constitution of reserved authorities.

Paragraph 8(3) defines "reserved authorities" for these purposes as:
- a Minister of the Crown or government department;
- any other public authority that is not a Wales public authority.

For the meaning of “Wales public authority” in this context, see the note on clause 4.

Paragraph 8(4) defines "public authority" for the purposes of paragraph 8(3), as a body, office or holder of an office that has functions of a public nature.

Paragraph 8(5) provides that the appropriate Minister for the purposes of paragraph 8(1) is the Secretary of State (in practice this is likely to be the Secretary of State for Wales), unless the relevant functions relate to HMRC in which case it will be the Treasury.

Paragraph 9 creates exceptions to the general rule stated in paragraph 8. It disapplies the Ministerial consent requirement in the case of conferring functions on, or changing the constitution of, specified reserved authorities.

Paragraph 10 imposes a further Ministerial consent requirement. This relates to Acts of the Assembly removing or modifying functions of certain public authorities. This requirement is subject to similar exceptions to the requirement under paragraph 8, but this time functions of a Minister of the Crown are also excluded. These are dealt with in paragraph 11 instead.

Paragraph 11 imposes either a requirement to obtain the consent of the appropriate Minister or to consult the appropriate Minister where an Act of the Assembly removes or modifies the functions of a Minister of the Crown. The specified functions to which the consent requirement apply include those classified as “qualified devolved functions” and those relating to the Welsh language. A qualified devolved function is a function that is:
- conferred or imposed on or transferred to the Welsh Ministers, the First Minister or the Counsel General by or under any Act; and
- to any extent exercisable concurrently or jointly with a Minister of the Crown or only with the consent or agreement of, or after consultation with, a Minister of the Crown.

Part 2 of Schedule 7B sets out the general exceptions from Part 1 of that Schedule.

Paragraph 12 provides that the restrictions in Part 1 of Schedule 7B do not prevent an Assembly Act provision restating the existing law or repealing or revoking spent enactments. Paragraph 12(2) clarifies that the law on reserved matters restriction in paragraph 1 of Schedule 7B includes any restatement of the law on reserved matters if the subject matter of the restatement is a reserved matter. This ensures that Parliament is able to consolidate or codify the law.

Paragraph 13 ensures that the restrictions in Part 1 do not unduly limit the Assembly’s competence to legislate about its own subordinate legislation procedure.

Clause 4: Wales public authorities

Clause 4 defines the expression “Wales public authority” for the purposes of GoWA. The expression is used in various provisions of that Act including those creating exceptions to the Ministerial consent requirement for Assembly Acts relating to functions of public authorities. “Wales public authority” includes a public authority whose functions are :-

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- exercisable only in relation to Wales; and
- wholly or mainly functions that do not relate to reserved matters.

441 When determining whether the first limb of this test is met, no account is taken of any function that could be conferred or imposed by provision falling within the Assembly’s legislative competence by virtue of section 108A(3). The purpose of this is to allow authorities like local authorities to be classified as Wales public authorities, notwithstanding that they may have certain devolved functions exercisable in areas close to the English/Welsh border.

442 Authorities will also be Wales public authorities by virtue of being named in new Schedule 9A inserted into GoWA by Schedule 4. Provision is made for the Schedule to be amended by an Order in Council approved by Parliament and the Assembly.

Chapter 4: Elections

Clause 5: Power to make provision about elections

443 Subsection (1) of Clause 5 substitutes a new section 13 into GoWA.

444 Subsection (1) of new section 13 gives the Welsh Ministers an order-making power to make provision about the conduct of Assembly elections, the questioning of such elections and the return of an Assembly member otherwise than at an election.

445 Subsection (2) of new section 13 clarifies the scope of the Welsh Ministers’ power to make provision about the conduct of Assembly elections and makes clear that it enables provision to be made:

a. about the registration of electors,
b. for disregarding alterations in a register of electors,
c. about the limitation of the election expenses of candidates and the creation of criminal offences in connection with the limitation of such expenses,
d. for the combination of polls,
e. to modify the operation of sections 6 and 8(2) of GoWA, which provide for the return of constituency members to be determined before the process of allocating regional members can proceed, where a poll at a constituency election is abandoned (or notice of it is countermanded) so that special provision can be made enabling the regional members to be returned even though not all of the constituency members have been returned; and
f. to modify the effect of section 9(7) of GoWA to ensure that the correct number of seats are allocated.

446 Subsection (3) of new section 13 makes clear that the Welsh Ministers’ power to make provision about the return of an Assembly member otherwise than at an election, will include modifying sections 11(3) to (5) of GoWA 2006, which concern the procedure to be followed when a regional Assembly seat is vacant.

447 Subsections (4) and (5) of new section 13 supplement and elaborate on the scope of subsection (1) and give the Welsh Ministers powers relating to the application and modification of electoral law.

448 Subsection (6) of new section 13 provides that the return of an Assembly member may only be questioned under Part 3 (legal proceedings) of the Representation of the People Act 1983, as

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applied or incorporated in an order under this section.

449 Subsection (7) of new section 13 provides that any order made under this section is subject to the affirmative resolution procedure of the Assembly.

450 Subsection (1) also inserts a new section 13A into GoWA.

451 Subsections (1) to (4) of new section 13A give the Secretary of State a regulation-making power to make provision to combine the polls at certain Assembly elections with the polls at certain UK Parliamentary and European Parliamentary elections. The Secretary of State must obtain the agreement of the Welsh Ministers before making any such regulations.

452 Subsections (5) and (6) of new section 13A supplement and elaborate on the regulation-making power and give the Secretary of State powers relating to the application and modification of electoral law as well as a power to amend forms contained in, or in regulations or rules made under, the Representation of the People Acts.

453 Subsection (2) of the clause inserts a new subsection (5D) into section 15 of the Representation of the People Act 1985, requiring the Secretary of State to consult the Welsh Ministers before making combination rules under section 15(5), where one of the elections is a local government election in Wales.

Clause 6: Timing of elections

454 Clause 6 concerns the timing of Assembly and local government elections in Wales. Subsections (1) to (3) amend section 3 of GoWA by providing that section 3(1) is subject to a new subsection (1A). Subsection (1A) prevents the poll at an Assembly ordinary general elections being held on the same day as the poll at an ordinary general election to the UK Parliament or, a general election to the European Parliament.

455 Subsection (3) also inserts a new subsection (1B) that gives the Welsh Ministers a power to move the date of the poll of an Assembly ordinary general elections if, otherwise, it would be held on the same date as the poll of a UK Parliamentary ordinary general election or a European Parliamentary general election. Subsection (5) provides that an order made using that power is subject to the affirmative resolution procedure of the Assembly.

456 Subsections (4) amends section 3(2) of GoWA in order that the Assembly will be dissolved automatically at the beginning of the “minimum period”, which ends, if the poll is to be held on the first Thursday in May, on that date and, otherwise, on the day specified by the Welsh Ministers by order under subsection (1B).

457 Subsections (6) to (10) make amendments to section 4 of GoWA to transfer the power of the Secretary of State to vary the date of a poll at an Assembly ordinary general election under that section to the Welsh Ministers. Where the Welsh Ministers exercise this power, the new date of the poll cannot be the same date as the poll of a UK Parliamentary general election or a European Parliamentary general election.

458 Subsections (11) to (13) insert a new section 37ZA into the Representation of the People Act 1983. New section 37ZA provides that the poll for an ordinary local government election in Wales cannot take place on the same day as the poll for an Assembly ordinary general election and gives the Welsh Ministers a power to move the date of the poll for an ordinary local government election in Wales where that would otherwise be the case.

459 Subsections (14) to (16) amend section 37B of the Representation of the People Act 1983 so that the Welsh Ministers’ power to change the date of a poll for an ordinary local government election in Wales to the same date as a poll at a European Parliamentary general election, does not apply if the date of the European Parliamentary general election is the same date as an

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Chapter 5: Other provisions about legislation by the Assembly

Clause 7: Electoral registration: the Digital Service

460 Subsections (1) to (4) amend section 10ZC of the Representation of the People Act 1983 ("the 1983 Act"), which concerns the procedure for applications to the register of electors, to provide for certain functions of the Secretary of State relating to the Digital Service, to be exercisable by the Welsh Ministers concurrently with a Minister of the Crown. The functions are exercisable by the Welsh Ministers: (a) in respect of elections to the Assembly or local government elections; (b) only with the agreement of a Minister of the Crown, and (c) subject to the same provisions as the Welsh Ministers’ power to make other regulations under this section, except that they are subject to annulment in pursuance of a resolution of the Assembly.

461 Subsections (5) to (8) amend section 10ZD of the 1983 Act, which concerns the alteration of the name or address of a person on the register, to provide for certain functions of the Secretary of State relating to the Digital Service to be exercisable by the Welsh Ministers concurrently with a Minister of the Crown. These functions are subject to the same provisions as apply to subsections (2) to (5).

462 Subsections (9) to (12) amend section 53 of the 1983 Act, which concerns the power to make regulations as to registration, to provide for certain functions of the Secretary of State relating to the Digital Service to be exercisable by the Welsh Ministers concurrently with a Minister of the Crown. These functions are subject to the same provisions as apply to subsections (1) to (4) and (5) to (8).

463 Those functions transferred to Welsh Ministers which are exercisable concurrently with Ministers of the Crown are in addition to those which are listed in schedule 3A of the Bill and which have been transferred by transfer of functions orders made under s.58 of GoWA.

Chapter 5: Other provisions about legislation by the Assembly

Clause 8: Super-majority requirement for certain legislation

464 Clause 8 inserts new sections 111A and 111B into GoWA to require certain types of electoral legislation to be passed by a two-thirds majority of the Assembly.

465 Subsection (2) of new section 111A sets out when a provision of a Bill relates to a protected subject-matter for the purpose of the clause. This is when a provision would modify the law relating to the following specified matters, or enable the law relating to the following matters to be changed by subordinate legislation unless a provision is incidental to or consequential on any other provision of the Bill. These specified matters are, in relation to elections to the Assembly: the franchise for those elections, the system by which Assembly members are returned, the specification or number of constituencies and regions or other such areas and the numbers of members to be returned in each constituency or region or other such areas. In addition, a provision changing the name of the Assembly would also relate to a protected subject-matter and require a two-thirds majority before it could be passed.

466 Subsection (3) requires the Presiding Officer to decide before the final stage at which an Assembly Bill can be voted on whether, in her view, the provisions of the Bill relate to a protected subject-matter. The Presiding Officer must make a statement to this effect and subsection 5 of new section 111A requires this statement to be made in both English and Welsh. Subsection 6 of new section 111A allows the standing orders to provide for this statement to be published.

467 Subsection (4) provides that a Bill which the Presiding Officer has decided relates to a protected subject-matter can only be passed if, at its final stage, the number of members
voting for it comprises at least two-thirds of the total number of Assembly seats.

468 New section 111B provides for the reference to the Supreme Court by the Attorney General or the Counsel General of, the question of whether any provision of a Bill, relates to a protected subject-matter.

469 Subsection (2) of new section 111B provides that any such reference must be made in certain circumstances within 4 weeks of the passing or rejection of a Bill at its final stage, or within 4 weeks of the approval of a Bill following reconsideration after a Supreme Court decision.

470 Subsection (3) provides that a reference to the Supreme Court cannot be made by the Counsel General if he has previously notified the Presiding Officer that he will not be making a reference or by the Attorney General if he has previously notified the Presiding Officer that he will not be making a reference. Subsection (4) 111B ensures this restriction does not apply if after such a notification, the Bill has been approved or rejected by the Assembly following reconsideration after a Supreme Court decision.

Clause 9: Super-majority requirement: amendments relating to procedure etc.

471 Clause 9 amends sections 111 and 112 of GoWA to reflect the new processes required as a result of a reference to the Supreme Court.

472 Subsection (2) inserts new paragraph (za) into subsection (6) of section 111 to require the standing orders to provide for a Bill that has been passed to be reconsidered if the Supreme Court decides that any provision of it relates to a protected subject-matter (after the Presiding Officer certified that no provision relates to a protected subject-matter).

473 Subsection (3) inserts a new subsection (6A) into section 111 to require the standing orders to provide for a Bill to be reconsidered if it has been rejected by the Assembly, and the Supreme Court has decided that no provision in the Bill relates to a protected subject-matter (following a decision of the Presiding Officer that the Bill does relate to a protected subject-matter).

474 Subsection (4) replaces subsection (7) in section 111 with a new subsection that requires the standing orders to ensure that any Bill reconsidered following a protected subject-matter reference is subject to a final approval stage in the Assembly.

475 Subsection (5) amends section 111 to ensure subsection (8) reflects the new reconsideration processes.

476 Subsection (6) amends section 112 to make it clear that the section only relates to references to the Supreme Court of questions of legislative competence (thus distinguishing it from the new section on references to the Supreme Court on protected subject-matter). It also provides for a reference to be made on a question of competence after reconsideration of an Assembly Bill.

477 Subsection (7) amends section 114 of GoWA to allow the Secretary of State to intervene after the reconsideration of an Assembly Bill.

478 Subsection (8) amends section 115 of GoWA to prevent the Presiding Officer from submitting a Bill for Royal Assent if the Supreme Court is still to make a decision on a protected subject-matter reference or if the Bill has not yet been approved after reconsideration by the Assembly once the Supreme Court has decided on such a reference.

Clause 10: Introduction of Bills: justice impact assessment

479 This clause inserts section 110A into GoWA to provide for justice impact assessments to be made in relation to Assembly Bills. It does that by requiring the Assembly’s standing orders to include provision requiring the person in charge of an Assembly Bill to make a written statement setting out the potential impact of the Bill’s provisions on the justice system in

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England and Wales. The “justice system” for these purposes includes the impact on prosecutors such as the Crown Prosecution Service and Serious Fraud Office, courts and prisons. The standing orders must prescribe the form and manner in which the assessment is to be made and the assessment must be published.

**Clause 11: Submission of Bills for Royal Assent: role of Presiding Officer**

480 This clause amends section 115 of GoWA to provide that the Presiding Officer, rather than the Clerk of the Assembly, should submit Assembly legislation for Royal Assent. It also provides that the Presiding Officer rather than the Clerk of the Assembly should be notified where a Bill is the subject of a Supreme Court reference and where the Attorney General or Counsel General do not intend to make a reference. This reflects the process in the Scottish Parliament.

**Chapter 6: Other provision about the Assembly**

**Clause 12 Financial control, accounts and audit**

481 This clause provides that provision shall be made by or under an Act of the Assembly (“Welsh legislation”) in relation to financial control, accounts and audit. This replaces previous arrangements for financial controls in the Government of Wales Act.

482 Under subsection (1) of the new section 130A inserted in GoWA by this clause, t Welsh legislation must provide for:

- preparation of accounts by the Welsh Ministers and others to whom sums are paid out of the Welsh Consolidated Fund of their expenditure and receipts;
- preparation by the Welsh Ministers of an account of the Welsh Consolidated Fund;
- arrangements for audit and value for money studies by, or under the supervision of the Auditor General for Wales (as further described in subsection (2) of this provision)
- access by auditors to such documents as may reasonably be required for the purposes of audit;
- designated members of the staff of the Welsh Administration to be answerable to the Assembly (Accounting Officers); and
- the publication of accounts and reports on them in pursuance of the rules and for the laying of such accounts and reports before the Assembly.

483 Subsection (3) provides that the Standing Orders of the Assembly must include consideration of Assembly Accounts and Reports.

484 Subsection (5) provides that Welsh legislation cannot require reserved authorities to provide accounts where legislation already requires it.

**Clause 13: Composition of Assembly committees**

485 Clause 13 repeals section 29 of GoWA to remove the restrictions on the composition of committees and allows for them to be amended by changes to Assembly standing orders.

**Clause 14: Assembly proceedings: participation by UK Ministers etc**

486 Clause 14 repeals sections 32 and 33 of GoWA. The repeal of section 32 removes the entitlement of the Secretary of State for Wales to participate in Assembly proceedings (this power has never been exercised). The repeal of section 33 removes the requirement for the Secretary of State to attend the Assembly as part of the process of consultation on the UK
Government’s legislative programme.

These provisions were included in GoWA when the Assembly was still finding its feet, and the distinction between the Assembly’s legislative role and the Welsh (Assembly) Government’s executive functions had yet to be implemented. The Assembly is now well established, with clear lines of engagement between it and the UK Government. These provisions are no longer needed in that context.

Clause 15: Change of the name of the Assembly etc: translation of references

Clause 15 inserts a new section 150A into GoWA to ensure that references in other legislation to the Assembly and other bodies are automatically amended if the Assembly exercises its power to change its name (or the name of the Assembly for Commission or the name of Acts of the Assembly). Such name changes are made possible by paragraph 7(2)(a)(i) and (xii) and paragraph 7(2)(c)(i) of new Schedule 7B inserted into GoWA by Schedule 2 to the Bill, which mean that the restriction on the Assembly on amending GoWA itself does not include amending those names as provided for by sections 1(1), 27(1) and 107(1) respectively. Subsection (2) of new s.150A ensures that any references to the Assembly, the Assembly Commission or an Act of the Assembly in other legislation will reflect the new name if it is changed.

Subsection (2) of Clause 15 ensures that the definition of enactment in new section 150A includes Acts of the Scottish Parliament or instruments made under such Acts, so if the Assembly changes its name, references to it in ASPs will also be automatically updated.

Chapter 7: Welsh rates of income tax: removal of referendum requirement

Clause 16: Welsh rates of income tax: removal of referendum requirement

Clause 16 amends the Wales Act 2014 to remove the requirement for there to be a referendum in advance of the devolution of a portion of income tax.

Subsection (2) removes sections 12 and 13 and Schedule 1 from the Wales Act 2014. Section 12 makes provision about the Order in Council that would cause the referendum to be held. Section 13 provides for how a proposed referendum can be triggered by the First Minister or a Welsh Minister, approved by Assembly resolution, and implemented by Order in Council. Schedule 1 provides the detail on how the referendum would be conducted. As the Welsh rate of income tax is now to be devolved to Wales without the need for a referendum, all of these provisions can be repealed.

Subsection (3) removes section 14(1) of the Wales Act 2014 and amends the heading of section 14. Section 14 of the Wales Act 2014 provides for the commencement of the income tax provisions by Treasury order. As a referendum is no longer required before a portion of income tax can be devolved in Wales, the references to the referendum in section 14(1) and in the heading of section 14 can be removed.

Subsection (4) removes section 23(8) from the Wales Act 2014. Section 23 requires an annual report by the Secretary of State and Welsh Ministers on the implementation and operation of the finance measures in Part 2 of the Wales Act 2014. Section 23(8) provides that the report need not contain information on the implementation of the income tax provisions until a majority has voted in favour of these provisions in a referendum. Given this clause removes the referendum requirement, section 23(8) is no longer required. Future reports under section 23 will therefore need to contain information on steps taken, or proposed to be taken, toward
the implementation of the Welsh rates of income tax.

494 Subsection (5) amends the commencement provisions in section 29 of the Wales Act 2014 to remove other references to the referendum that are now no longer required.

Chapter 8: Executive competence

Clause 17: Functions of Welsh Ministers

495 Clause 17 (1) inserts a new s58A into GoWA which confers common law type powers on Welsh Ministers; these powers are described as executive ministerial functions and they will be exercisable both in relation to devolved functions and ancillary to executive functions conferred on Welsh Ministers exercisable outside devolved legislative competence. Subsection (5) defines what is meant by an executive function; this does not include any prerogative functions.

496 Subsection (3) provides that these powers are to be exercised by Welsh Ministers alone unless the type of functions is listed in subsection (4) when it will be exercisable concurrently by both the Welsh Ministers and Ministers of the Crown. The types of function listed in subsection (4) are:

a) those ancillary to any function of Welsh Ministers which is expressed to be exercisable concurrently or jointly (whether within or outside devolved legislative competence) (see s59A and Schedule 3A for a list of such functions)

b) those ancillary to the exercise by a Minister of the Crown of a function within devolved competence,

c) those which are free-standing in that they are not ancillary to any other function

d) those relating to observing or implementing EU law.

497 The term "ancillary" is defined in subsection (6).

498 "Devolved competence" is defined in subsections (7)-(8).

499 Subsection (7) provides that it is outside devolved competence to make, confirm or approve subordinate legislation which would be outside legislative competence. In other words, a provision that section 108A would prohibit from appearing in an Assembly Act is similarly prohibited by this section from appearing in subordinate legislation.

500 Subsection (8) applies to functions other than those relating to making, confirming or approving subordinate legislation. It provides that it is outside devolved competence to exercise such functions if an Assembly Act provision conferring those functions would be outside the Assembly's legislative competence.

501 Subsection (5) states that executive ministerial powers includes functions involving expenditure or other financial matters and so section 70 of GoWA, which currently enables Welsh Ministers to give financial assistance to persons engaged in activities which help the Ministers attain the exercise of their functions, is amended by clause 17(2) so that it applies only to the First Minister and the Counsel General. The well-being powers in section 60 of GoWA also overlap with the common law type powers conferred by section 58A and this has been added to the list of provisions in GoWA which the Assembly can modify or repeal (see paragraph 7 of schedule 7B).

502 Clause 17(3) also removes the Welsh Ministers' powers under section 71 of GoWA, which
enables them to do anything conducive or incidental to the exercise of their powers, as such powers are no longer required; however this provision still applies to the First Minister acting in his capacity as First Minister and the Counsel General.

Clause 18: Implementation of EU law
503 Clause 18 gives Welsh Ministers an automatic right to make regulations under section 2(2) of the European Communities Act 1972 implementing EU law. This right applies to matters that are within the legislative competence of the Assembly. Such exercise of the powers by Welsh Ministers will no longer be conditional on prior designation in an Order in Council prepared by the UK Government. Designation will continue to be necessary if Welsh Ministers are to make regulations under section 2(2) in relation to matters that are outside the legislative competence of the Assembly. The reserve powers of a designated UK Minister to make regulations under section 2(2) remain unaffected, so, for example, Welsh Ministers may consent to EU legislation being implemented by the UK Government in respect of Wales.

Clause 19: Transfer of Ministerial Functions
504 Functions conferred by UK legislation in devolved areas can be transferred to Welsh Ministers by an Order made under s.58 of GoWA. Several such orders have been made since the Assembly was established in 1999. Subsection (1) modifies s.58 by enabling an order to specify that a function may also be exercised jointly, as well as concurrently, by a Minister of the Crown and Welsh Ministers. Subsection (2) modifies provision in Schedule 3 to GoWA by removing the reference to cross-border bodies and English border areas so that transfers of functions orders can also specify that functions exercisable by Welsh Ministers may require agreement of, or consultation with a Minister of the Crown.

505 Subsection (3) inserts a new Schedule 3A into GoWA which lists all those powers which are exercised concurrently or jointly by Ministers of the Crown and Welsh Ministers. These powers have already been transferred by transfer of functions orders (TFOs) made under s.58 of GoWA. This schedule will be added to by subsequent transfer of function orders, if they include shared powers so that a comprehensive list of such powers is easily accessible. As qualified devolved powers, these functions can only be modified with the consent of a Minister of the Crown (see paragraph 11(1)(a) and 11(3) of schedule 7B).

Clause 20: Transferred Ministerial functions.
506 This clause makes further modifications to the power at s.58 of GoWA to make TFOs. Subsection (2A)(a) provides that such an order can also be made in relation to functions previously transferred by TFO and (b) enables previously transferred functions to be expanded or reduced on a geographical basis or otherwise. Future orders will also be able to remove conditions attached to the exercise of such functions or modify the requirement for concurrent or joint exercise.

Clause 21: Consultation about cross-border bodies
507 This clause repeals section 63 of GoWA (consultation about cross-border bodies). The section places a duty on Ministers of the Crown to consult Welsh Ministers before exercising certain functions in relation to cross-border bodies. The expression ‘cross-border body’ is not used in the reserved powers model introduced by the Bill. Public authorities with functions exercisable in England as well as Wales will generally be ‘reserved authorities’ under the new structure.
Part 2: Legislative and executive competence: further provision

Chapter 9: Onshore petroleum

Clause 22: Onshore petroleum licensing

508 Clause 21 amends section 8A (interpretation of Part 1) of the Petroleum Act 1998 (which is inserted by the Scotland Act 2016 to transfer to Welsh Ministers certain executive functions exercised currently by the Secretary of State relating to onshore petroleum licensing in the Welsh onshore area.

509 Subsection (2) inserts new paragraph (aa) into subsection (1A) to provide that, for Part 1 of the Petroleum Act 1998, the “appropriate authority” shall be Welsh Ministers for the Welsh onshore area.

510 Subsection (3) inserts new paragraph (aa) into subsection (2) to provide that, for Part 1 of the Petroleum Act 1998, the “appropriate Minister” shall be Welsh Ministers for the Welsh onshore area.

511 Subsection (4) inserts new subsections (5), (6) and (7). New subsection (5) defines the “Welsh onshore area” as the area of Wales (including the territorial sea adjacent to Wales) within the baselines set out by any Order in Council under section 1(1)(b) of the Territorial Sea Act 1987 (extension of territorial sea).

512 New subsection (6) provides that ‘Wales’ has the same meaning as in GoWA for the purposes of interpreting new subsection (5).

513 New subsection (7) defines the “English onshore area” as the area of England and the territorial waters adjacent to England that is within the baselines set out by any Order in Council under section 1(1)(b) of the Territorial Sea Act 1987 (extension of territorial sea).

Clause 23: Onshore petroleum: existing licences

514 Clause 23 provides the Secretary of State with powers to make amendments to the provisions and model clauses of licences that were in existence before the commencement of devolved oil and gas licensing powers. This additional power is limited to those licences already in existence onshore Wales.

515 Subsection (1) provides the Secretary of State with the power to make amendments to the provisions of an existing licence and to the model clauses that are incorporated or have the effect as if incorporated into such an existing licence.

516 Subsection (2) specifies that the power to make amendments, conferred on the Secretary of State by subsection (1), is to be exercised only where it is deemed necessary or expedient in consequence of either the devolution of legislative competence over onshore oil and gas licensing (as mentioned in the exceptions in section D2 of Part 2 of Schedule 7A to GoWA) or in consequence of the devolution of executive functions.

517 Subsection (3) provides the Secretary of State with the power to direct that, where a licence was only partially in onshore Wales at the time of granting, this licence may have effect as one licence in onshore Wales and as a separate licence in the area outside of onshore Wales. The power of the Secretary of State to make necessary amendments to existing licences and to the model clauses incorporated therein or having the effect as if incorporated therein is extended to such licences.

518 Subsection (4) specifies that the power to make amendments to the model clauses, provided by

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subsection (1)(a) is to be exercised by regulations made by statutory instrument. (The power to make amendments to other provisions of existing licences, provided by subsection (1)(b), does not need to be exercised by regulations.)

519 Subsection (5) specifies that any such statutory instruments, containing regulations to make amendments to existing licences, shall be subject to annulment in pursuance of a resolution of either House of Parliament.

520 Subsection (6) defines “existing licences” as those licences granted under section 3 of the Petroleum Act 1998 or under section 2 of the Petroleum (Production) Act 1934 before the commencement of the devolution of licensing powers to Welsh Ministers for the “Welsh onshore area”, as defined by section D2 of Part 2 of Schedule 7A to GoWA.

Clause 24 Onshore petroleum: right to use deep-level land in Wales

521 Clause 23 and paragraphs 24 to 28 of Schedule 2 amend the Infrastructure Act 2015 (“IA 2015”) consequent upon the devolution to the Assembly of legislative powers relating to access to land for the purpose of searching or boring for or getting petroleum within the “Welsh onshore area” (see the exception to the reservation in section D2 (oil and gas) of new Schedule 7A to GoWA).

(A) Right to use deep-level land

522 Section 43 of IA 2015 provides for a right to use deep-level land (i.e., land at depths of 300 metres and below) for the purposes of exploiting petroleum and deep geothermal energy in “landward areas” in England and Wales. Sections 45 and 46 of IA 2015 give the Secretary of State the power to make regulations containing “payment schemes” and “notice schemes” requiring “relevant energy undertakings” to make payments to landowners and others in respect of the right to use deep-level land and to give notice in respect of the exercise of the right to use deep-level land. The intention is that these regulation-making powers will be exercised only if the voluntary commitments made by the industry to notify local communities and make payments in connection with the right to use deep-level land are not satisfactory.

523 Subsection (2) of clause 24 and paragraph 24 of Schedule 2 amend section 45 of IA 2015 to confer the power to make “payment schemes” in respect of the exercise of the right to use deep-level land in Wales for the purposes of exploiting petroleum on the Welsh Ministers in place of the Secretary of State. (The Secretary of State retains the power to make “payment schemes” in respect of the exercise of the right to use (a) deep-level land in England for the purposes of exploiting petroleum and (b) deep-level land in England and in Wales for the purposes of exploiting deep geothermal energy.) Regulations made by the Welsh Ministers may require relevant energy undertakings to provide the Welsh Ministers or any other specified person with specified information about the exercise of the right to use deep-level land and the making of payments. The Welsh Ministers must consult such persons as they consider appropriate before making any regulations.

524 Subsection (3) of clause 24 and paragraph 25 of Schedule 2 amend section 46 of IA 2015 to confer the power to make “notice schemes” in respect of the exercise of the right to use deep-level land in Wales for the purposes of exploiting petroleum on the Welsh Ministers in place of the Secretary of State. (The Secretary of State retains the power to make “notice schemes” in respect of the exercise of the right to use (a) deep-level land in England for the purposes of exploiting petroleum; and (b) deep-level land in England and in Wales for the purposes of exploiting deep geothermal energy.) Regulations made by the Welsh Ministers may require relevant energy undertakings to provide the Welsh Ministers or any other specified person with specified information about the exercise of the right to use deep-level land and notifications made by the undertaking. The Welsh Ministers must consult such persons as they
consider appropriate before making any regulations.

525 Paragraph 26 of Schedule 2 amends section 47 of IA 2015 to provide for regulations made by the Welsh Ministers under sections 45 or 46 of IA 2015 (i.e., payment schemes and notice schemes) to confer a function on the Welsh Ministers or on any other person, apart from a Minister of the Crown. The amendments also provide that the Secretary of State’s duties (1) to review sections 45 and 46 within 5 years of commencement (see section 47(5) of IA 2015) and (2) to repeal sections 45 and 46 if the “relevant conditions” are met (see section 47(6) and (7) of IA 2015) apply only to the Secretary of State’s regulation-making powers under those sections (and not to those of the Welsh Ministers).

526 Paragraph 27 of Schedule 2 amends section 48 of IA 2015 to confer on the Secretary of State a power to make regulations setting out the definition of “landward area” as it applies in relation to the right to use deep-level land in England for the purposes of exploiting petroleum and the right to use deep-level land in England and Wales for the purposes of exploiting deep geothermal energy. The Welsh Ministers are also given a power to make regulations setting out that definition as it applies in relation to the right to use deep-level land in Wales for the purposes of exploiting petroleum within the Welsh onshore area. The current definition of “landward area” in the Petroleum Licensing (Exploitation and Production) (Landward Areas) Regulations 2014 will remain in place until such regulations are made. The amendments also provide various definitions for the purpose of the amendments made by the Bill.

527 Paragraph 28 of Schedule 2 amends section 55 of IA 2015 to provide that regulations made by the Secretary of State under section 48 of IA 2015, and by the Welsh Ministers under sections 45, 46 and 48 of IA 2015, are subject to the affirmative procedure.

(B) Advice on likely impact of onshore petroleum on the carbon budget

528 Section 49 of IA 2015 requires the Secretary of State from time to time to seek advice from the Committee on Climate Change on the impact which the combustion of, and the fugitive emissions from, petroleum got through onshore activity in England and Wales is likely to have on meeting the UK carbon budget obligations.

529 Subsection (4) of clause 23 amends section 49 to provide that the Secretary of State’s duty relates to petroleum got through onshore activity in England only.

Chapter 10: Road transport

Clause 25: Roads: speed limits, pedestrian crossings and traffic signs

530 This clause amends the following provisions of the RTRA 1984:

- Section 17 (traffic regulation on special roads), to enable Welsh Ministers to make regulations with respect to a particular special road in Wales, and to regulate the speed of vehicles on special roads in Wales.

- Section 25(1) (Secretary of State to make pedestrian crossing regulations), to enable the relevant authority to exercise the power to make regulations in respect of pedestrian crossings. Relevant authority in this provision means Scottish or Welsh Ministers (if it is within their devolved competence) or otherwise the Secretary of State.

- Section 64 (general provisions as to traffic signs), to enable the relevant authority to exercise the power to make regulations in respect of traffic signs, and relevant authority is defined in the same way as section 25.

- Section 86 (speed limits for particular classes of vehicles) to define the relevant authority, as

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respects the driving of vehicles on roads in Wales, as the Welsh Ministers.

- Section 87 (exemptions for emergency vehicles from speed limits) (as amended by section 19 of the Road Safety Act 2006), to enable the national authority to exercise the power to make regulations which prescribe the purposes and circumstances in which speed limits do not apply to vehicles other than those used by the emergency services; and defines the relevant authority as (so far as they have competence) Scottish Ministers; and otherwise, the Secretary of State.

- Section 88 (temporary speed limits) to define the relevant authority, in relation to roads in Wales, as the Welsh Ministers.

- Section 142(1) (general interpretation) to define ‘national authority’, in relation to Wales, as the Welsh Ministers.

Clause 26: Bus service registration and Traffic Commissioners

531 This clause transfers the executive competence for the functions contained in section 6(9)(g), (i) and (j) and section 7(6)(d), (9) and (11) of the Transport Act 1985 to the Welsh Ministers (in so far as those functions are exercised in relation to Wales). These sections 6 and 7 functions are the same as those transferred to Scottish Ministers in the Scotland Act 1998 (Cross Border Public Authorities) (Traffic Commissioner for the Scottish Traffic Area) Order 2007 (S.I. 2007/2139).

532 In consequence of the devolution of bus route registration this clause also amends section 4C of the Public Passenger Vehicles Act 1981 so that the senior traffic commissioner’s power to give guidance or general directions to other traffic commissioners does not apply in relation to devolved Welsh matters. This reflects the situation already existing in Scotland where the senior traffic commissioner cannot give guidance or directions in relation to devolved Scottish matters.

Clause 27: Taxis: transfer of certain functions to Welsh Ministers

533 In consequence of the devolution to the Assembly of powers to legislate for taxi and private hire vehicle licensing, taxis and private hire vehicle driver licensing and private hire vehicle operator licensing, this clause transfers the Secretary of State’s functions in section 10 of the Transport Act 1985 (the immediate hiring of taxis at separate fares) to Welsh Ministers.

Chapter 11: Harbours

Clause 28: Transfer of executive functions in relation to Welsh harbours

534 This clause transfers to the Welsh Ministers a number of functions relating to harbours that are wholly in Wales, other than reserved trust ports as defined in clause [31]. The functions transferred are functions of a Minister of the Crown under legislation concerning harbours, harbour authorities and pilotage and they are specified in subsection (2). ‘Wales’ is defined in subsection (7) as having the same meaning as in GoWA; it includes the sea adjacent to Wales up to the seaward boundary of the territorial sea, with the boundary of the sea adjacent to Wales in the Dee and Severn estuaries being determined by order (see GoWA, sections 158(1) and (3) and paragraph 27(3) of Schedule 11, and the National Assembly for Wales (Transfer of Functions) Order 1999, S.I.1999/672, article 6 and Schedule 3).

535 Functions under the Harbours Act 1964 that have been delegated by the Secretary of State using powers in section 42A of that Act are included in the functions transferred (subsection (3)). By the Harbours Act 1964 (Delegation of Functions) Order 2010, S.I. 2010/674, certain functions were delegated to the Marine Management Organisation (MMO).

536 Where any function transferred relates to two or more harbours, the function is transferred

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only if both, or all, the harbours are wholly in Wales and are not reserved trust ports (subsection (4)).

537 A function specified is not transferred to the extent that it can be exercised to create a cross-border harbour (subsection (5)). A cross-border harbour is a harbour that is partly in England and partly in Wales (subsection (7) and clause 32(5)).

Clause 29: Transfer of executive functions: amendments of the Harbours Act 1964

538 This clause amends the Harbours Act 1964 to transfer functions relating to harbours wholly in Wales (other than reserved trust ports) from a Minister of the Crown to the Welsh Ministers. The functions relate to harbour orders, harbour closure orders and orders designating harbour authorities as authorised to give directions to ships. Subsection (3) inserts a new paragraph (1A) into section 17E of the Harbours Act which requires the Welsh Ministers to obtain the consent of the Secretary of State before making a harbour closure order that transfers functions to the harbour authority for a harbour which is wholly or partly in England or for a reserved trust port.

Clause 30: Transfer of harbour functions: application of general provisions

539 This clause applies certain provisions of Schedules 3 and 4 to GoWA to the functions transferred by clauses 28 and 29, as if those functions were transferred by an Order in Council made under section 58 of that Act. The provisions relate to the exercise of transferred functions, the continued validity of things done by a Minister of the Crown before the transfer and the transfer of property, rights and liabilities.

540 The provisions are applied to the transfer of functions under the Harbours Act 1964 that are exercisable by a delegate by virtue of an order made under section 42A of that Act (subdivision (2)). (The Harbours Act 1964 (Delegation of Functions) Order 2010, S.I. 2010/674, delegated certain Minister of the Crown functions under the Harbours Act to the Marine Management Organisation (MMO)).

541 The Secretary of State may make regulations setting out contrary arrangements regarding aspects of the transfer of property, rights and liabilities (subsection (3)) and the regulations may make different provision for different purposes, including different provision for different harbours or descriptions of harbours (subsection (4)). The regulations are to be made by statutory instrument subject to the negative procedure (subsection (5) and (6)).

Clause 31: Welsh harbours: reserved trust ports

542 Reserved trust ports are defined by this clause. A reserved trust port is a harbour, dock, pier or boatslip that, on the date on which clause 3(1) comes into force, is owned or managed by a harbour authority that is a relevant port authority within the meaning of the Ports Act 1991 and that meets the annual turnover requirement set out in section 11 of that Act. The annual turnover requirement has to be met in two of the previous three accounting years for which the harbour authority’s accounts have been submitted as required by section 42 of the Harbours Act 1964 (subsection (3), which applies section 11(1) of the Ports Act with consequential modifications).

Clause 32: Welsh harbours: development consent

543 This clause amends the Planning Act 2008. It excludes from the development consent regime under that Act applicable to nationally significant infrastructure projects, the construction or alteration of harbour facilities that are wholly in Wales or in waters adjacent to Wales, except harbour facilities that comprise or form part of a reserved trust port.
Clause 33: Cross-border harbours

544 Cross-border harbours are defined by this clause as harbours that are partly in England and partly in Wales (subsection (5)).

545 Where a Minister of the Crown proposes to exercise a relevant function in respect of a cross-border harbour and the exercise would, in the opinion of the Minister, be likely to have a material effect in Wales, the Minister must consult the Welsh Ministers before exercising the function (subsection (1)). Relevant functions are specified in subsection (4) and include order, regulation and decision making, direction giving, consenting and approving functions under the Harbours Act 1964, the Docks and Harbours Act 1966, the Ports (Finance) Act 1985 and the Ports Act 1991.

546 A Minister of the Crown must also consult the Welsh Ministers before exercising a function under the Harbours Act 1964 that would create a new cross-border harbour (subsection (2)).

547 Where a relevant function has been delegated under section 42A of the Harbours Act 1964, the delegate is subject to the duties imposed by this clause (subsection (3)). (The Harbours Act 1964 (Delegation of Functions) Order 2010, S.I. 2010/674, delegated certain Minister of the Crown functions under the Harbours Act to the Marine Management Organisation (MMO)).

Clause 34: Cross-border exercise of pilotage functions

548 This clause contains consultation and consent requirements applicable to the Secretary of State or the Welsh Ministers when exercising relevant pilotage functions with a cross-border application. Relevant pilotage functions are set out in subsection (4).

549 Where the Secretary of State proposes to exercise a relevant pilotage function in relation to waters in Wales, the Secretary of State must first consult the Welsh Ministers (subsection (1)).

550 Where the Welsh Ministers propose to exercise a relevant pilotage function (transferred by clause 28) that is in relation to waters in England, the Welsh Ministers must first obtain the consent of the Secretary of State (subsection (2)). Clause 28 transfers to the Welsh Ministers pilotage functions in relation to harbours wholly in Wales, including where the pilotage jurisdiction extends into waters adjacent to England. There is an exception to the requirement for consent where the Welsh Ministers propose to make a decision on an appeal relating to pilotage charges or to the authorisation of EEA pilots, in which case the Welsh Ministers must first consult the Secretary of State (subsection (3)).

Clause 35: Regulations modifying the application of sections 33 and 34

551 This clause provides that the duties to consult before exercising a function that are imposed on the Secretary of State and the Welsh Ministers by clauses 33 and 34 do not apply if it is not reasonably practicable to comply (subsection (1)). If compliance is not reasonably practicable, the Secretary of State or the Welsh Ministers (as the case may be) must as soon as is reasonably practicable inform the other of the exercise of the function and the reasons for exercising it (subsections (2) and (3)). Subsection (4) provides that a failure to comply with a duty to consult does not affect the validity of the exercise of the function.

552 This clause also enables the Secretary of State to make regulations modifying the application of the provisions concerning cross-border harbours and cross-border pilotage which are contained in clauses 33, 34 and 35 in relation to specified harbours or descriptions of harbours (subsection (5)). Before making regulations, the Secretary of State must consult the Welsh Ministers (subsection (6)).

553 Subsection (7) provides that the regulations may in particular disapply the requirements for a Minister of the Crown to consult or the Welsh Ministers to consult or obtain consent before
exercising a function, may change a requirement to consult to a requirement to obtain consent (and vice versa) and may introduce new requirements for a Minister of the Crown to consult or obtain consent before exercising a function not mentioned in clause 33 or 34 or for the Welsh Ministers to consult or obtain consent before exercising a function not mentioned in clause 34.

554 The regulations may make different provision for different purposes or cases and consequential, incidental, supplementary, transitional and saving provision (subsection (8)).

555 The regulations must be made by statutory instrument subject to the negative procedure (subsections (9) and (10)).

Chapter 12: Planning for electricity generating stations

Clause 36: Planning consent for generating stations with 350MW capacity or less

556 Clause 36 gives effect to the policy intention to devolve to Wales the responsibility for energy planning development consents for projects up to and including 350MW onshore and in Welsh territorial waters.

557 Subsections (1)-(5) - The combined effect of these subsections is to dis-apply the Secretary of State’s power under the Planning Act 2008 (“the 2008 Act”) to grant development consent for all electricity generating stations in Wales and in Welsh territorial waters insofar as such projects (not including onshore wind powered generating stations) do not exceed a capacity of 350MW, and for all onshore wind powered generating stations.

558 Subsections (6)-(8) - The disapplication in subsections (1) - (5) would otherwise leave consenting for electricity generating stations to be determined in accordance with section 36 of the Electricity Act 1989. The combined effect of subsections (6) - (8) is to remove the requirements of section 36 of the Electricity Act 1989 in so far as they relate to electricity generating stations up to and including 350MW in Wales, such that Welsh Ministers can consent such projects under the dedicated process for developments of national significance put into the Town and Country Planning Act 1990, as it applies in Wales, by the Planning (Wales) Act 2015. As the regime under the Town and Country Planning Act 1990 does not apply offshore, section 36 is devolved to Welsh Ministers for the determination of projects not exceeding 350MW in Welsh territorial waters and in the Welsh Zone.

Clause 37: Generating stations and public rights of navigation

559 Clause 37 transfers certain functions under sections 36A and section 36B of the Electricity Act 1989 to Welsh Ministers for offshore generating station consents not exceeding 350MW. Clause 36 will amend section 36A of the Electricity Act 1989, such that Welsh Ministers will in the future be able to make declarations extinguishing public rights of navigation, so as to ensure safety, out to the seaward limits of the territorial sea, in relation to generating stations up to 350MW.

560 Section 36B of the Electricity Act 1989 will be amended to allow for the imposition of navigation duties by Welsh Ministers in relation to generating station consents up to 350MW in waters adjacent to Wales out to the seaward extent of the "Welsh zone", as defined in section 158(1) of the Government of Wales Act 2006.

Clause 38: Associated development of overhead lines

561 This clause, in order to allow that Welsh Ministers can grant associated development with generating stations that they can consent (those no greater than 350MW), provides that overhead electric lines which are necessarily associated with such generating stations (subject

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to a limit of 132kV nominal voltage) can be consented by Welsh Ministers, as development under the Town and Country Planning Act 1990.

 Clause 39: Alignment of associated development consent

  562 Clause 39 implements the recommendation of the Silk Commission, taken forward in the St David’s Day Agreement, that the responsibility for granting consent for associated development for energy projects should be aligned with the responsibility for granting consent for the main project.

  563 Planning consents for energy generation projects above 50 MW are currently granted through a Development Consent Order made by the Secretary of State under the regime for nationally significant infrastructure set out in the 2008 Act. The Secretary of State may grant consent under the 2008 Act for an energy generation project for which development consent is required.

  564 Large energy generation projects are also likely to require consent for development which is associated with the principal project and necessary for the project to be developed (‘associated development’) and the Secretary of State can also grant consent for this under the 2008 Act.

  565 In Wales, the power of the Secretary of State to consent associated development is restricted to surface works, boreholes or pipes that are associated with a project comprising of underground gas storage facilities. There is therefore currently no provision in the 2008 Act for the Secretary of State to grant development consent for associated development for an energy generation project in Wales.

  566 The effect of this is that for an energy generation project above 50 MW in Wales, development consent can only be granted by the Secretary of State for the infrastructure project itself. Any consents for associated development must be sought from the appropriate consenting body in Wales (in the case of any planning consent for associated development, this will normally be from the relevant local planning authority).

  567 Clause 36 devolves consents for energy generation projects up to, and including, 350 megawatts to Wales. For these projects, there will be no change to how consent is granted for associated development.

  568 Energy projects above 350MW in Wales will continue to be determined by the Secretary of State under the provisions of the 2008 Act. In order for the recommendation on aligning associated development consents to be implemented, the 2008 Act needs to be amended so the Secretary of State can grant consent for associated development linked to these projects. This will be achieved by the amendment to section 115(4) of the 2008 Act (which currently restricts the Secretary of States powers to grant consent for associated development in Wales). This amendment will also extend to associated development consents linked to the consenting of electric lines in Wales to the extent that they fall within section 14(1)(b) and section 16 of the 2008 Act.

 Chapter 13: Equal opportunities

 Clause 40: Equal opportunities: public sector equality duty

  569 Clause 40 amends section 152(2) of the Equalities Act 2010 ("the 2010 Act"). The relevant part of this section sets out the process Welsh Ministers must follow when exercising a power to amend the list of Welsh public authorities, set out in Part 2 of Schedule 19 of the 2010 Act, which are subject to the public sector equality duty. Welsh Ministers will no longer have to obtain the consent of a Minister of the Crown before making an order amending the list, but instead must inform such a Minister after any amendment to Schedule 19.

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570 The public sector equality duty in section 149 imposes a duty on the public bodies listed in Schedule 19 to have regard to three specified equality matters when exercising their functions.

Clause 41: Public sector duty regarding socio-economic inequalities

571 This clause amends the arrangements for the commencement of Part 1 of the 2010 Act in Wales (socio-economic inequalities). It also amends the powers of the Welsh Ministers where they wish to amend section 1 of the 2010 Act. Part 1, which enables the Welsh Ministers to impose the socio-economic duty on public bodies exercising devolved or mainly devolved functions, is already devolved, but there had not until now been an available mechanism for the Welsh Ministers to commence the provision as it relates to those bodies.

572 Subsection (2) amends section 1 by providing that public authorities exercising a duty relating to devolved Welsh functions must take into account guidance issued by Welsh Ministers when deciding how to fulfil that duty. Where the function concerned is not devolved, the authority must follow guidance issued by a Minister of the Crown.

573 Subsection (3) amends section 2 of the 2010 Act by removing the requirement that Welsh Ministers consult a Minister of the Crown prior to making regulations under Part 1 of the 2010 Act.

574 In relation to commencement, subsection (4) amends section 216 of the 2010 Act (commencement) to ensure that the Welsh Ministers may commence Part 1, which will be by order, at a time of their choosing.

575 Section 1 requires specified public bodies, when making strategic decisions to consider how their decisions might help to reduce the inequalities associated with socio-economic disadvantage. Section 2 enables the Welsh Ministers, in the case of Welsh bodies, to make regulations amending the list of public bodies which are subject to the duty.

Chapter 14: Marine licensing and conservation

Clause 42: Marine licensing in the Welsh offshore region

576 This clause implements the recommendation of the Silk Commission, taken forward in the St David’s Day Agreement, that the existing executive responsibilities for marine licensing in the Welsh inshore region should be extended to the Welsh offshore region. The amendments made by clause 26 provide for Welsh Ministers to exercise functions relating to marine licensing in the Welsh offshore region. Part 4 of the Marine and Coastal Access Act 2009 (“the 2009 Act”) regulates the licensing of certain activities which take place in UK waters, other than the Scottish inshore region (defined in section 322(1) of the 2009 Act). The Welsh offshore region is defined in section 322(1) to mean so much of the Welsh zone as lies beyond the seaward limits of the territorial sea. Welsh zone takes its meaning from section 158(1) and (3) of GoWA.

577 Section 113 of the 2009 Act contains the rules for determining who is the appropriate licensing authority for any area. This varies depending on both the area and the nature of the activity. Subsection (2) amends section 113(4) so that Welsh Ministers are the appropriate licensing authority for Wales, the Welsh inshore region and the Welsh offshore region, unless the activity to be licensed falls within section 113(5) of the 2009 Act. In respect of those “reserved activities” the Secretary of State is the licensing authority.

578 Subsection (2)(b) amends the list of those “reserved activities” in section 113(5) so as to additionally reserve, in relation to the Welsh offshore region only, any activity falling within the subject matter of Part 6 of the Merchant Shipping Act 1995 (pollution etc.) (MSA). This type of activity is licensable by the Secretary of State in relation to the Welsh offshore region.

579 Marine enforcement officers (MEOs) may be appointed under section 235 of the 2009 Act to

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carry out enforcement functions in relation to the marine licensing regime. Section 236 of the 2009 Act sets out the areas in which and the vessels and installations in relation to which a MEO may exercise enforcement powers. Subsection (3) of clause 42 amends section 236(2) of the 2009 Act so as to extend the activities in relation to which a MEO cannot exercise its enforcement powers to include: (i) an activity in the Welsh offshore region concerning or arising from the exploration for, or production of, petroleum; and (ii) any activity in the Welsh offshore region falling within the subject matter of Part 6 of the MSA.

580 Under section 240 of the 2009 Act, the Secretary of State is able to appoint persons to enforce the marine licensing regime in Part 4 of that Act, to the extent that it relates to the licensing of those “reserved activities”. Subsection(4) amends subsection 240(1)(b) of the 2009 Act so that the Secretary of State is able to appoint persons for enforcement purposes relating to any activity in Wales, the Welsh inshore region or the Welsh offshore region concerning the exploration for, or production of, petroleum.

581 Subsections 5 to 8 of this clause make consequential amendments to the Marine Licensing (Exempted Activities) (Wales) Order 2011 (“the 2011 Order”). The 2011 Order specifies activities which do not need a marine licence, or do not need a marine licence if conditions specified in the Order are satisfied. By virtue of Article 2 of the 2011 Order and subsection (2)(a) of clause 26, the 2011 Order applies in relation to any licensable marine activity carried on in Wales, the Welsh inshore region and the Welsh offshore region for which the Welsh Ministers are the appropriate licensing authority.

Clause 43: Marine conservation zones

582 This clause appoints the Welsh Ministers as appropriate authority in the Welsh offshore region allowing them to designate areas as marine conservation zones (MCZ) in that region pursuant to Part 5 (Nature Conservation) of the Marine and Coastal Access Act 2009 (the 2009 Act).

583 The Welsh offshore region is defined in section 322(1) of the 2009 Act.

584 Subsection (2) (b) states that the Welsh Ministers may not designate an MCZ that includes any part of the Welsh offshore region without agreement from the Secretary of State.

Chapter 15: Miscellaneous

Clause 44: Intervention in case of serious adverse impact on sewerage services etc

585 Legislative competence for sewerage was not previously conferred on the Assembly, and will be devolved as set out in reservation C15 of Schedule 1 to the Bill. This clause amends section 114 of GoWA by adding a new intervention power over the competence of the Assembly to pass an Act of the Assembly relating to sewerage. This intervention power enables the Secretary of State to make an order prohibiting the Presiding Officer from submitting a Bill for Royal Assent where the Secretary of State has reasonable grounds to believe that the Bill, if it became an Act of the Assembly in that form, might have a serious adverse impact on sewerage services in England or sewerage systems in England. This intervention power is similar to one already held by the Secretary of State in relation to the devolution of matters relating to water.

586 This clause amends section 152 of GoWA by adding a new intervention power over executive functions. This intervention power enables the Secretary of State to intervene over any function exercisable by the Welsh Ministers, the First Minister or the Counsel General or any function conferred by an Assembly Measure or an Act of the Assembly, where it appears to the Secretary of State that the exercise of a relevant function (or the failure to exercise a relevant function) might have a serious adverse impact on sewerage services in England or sewerage services in Wales.

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).
systems in England. In such a case the person who had the power to exercise the function may not exercise that function, and the Secretary of State may exercise the function in their stead. This intervention power is similar to one already held by the Secretary of State in relation to the devolution of matters relating to water.

Clause 45: Transfer of functions in relation to excepted energy buildings

587 The regulation of buildings and building work is a reserved matter. However functions under the Building Act 1984 to make building regulations and associated matters have been transferred to the Welsh Ministers by an order in 2009 that came into force in 2011. An exclusion from the transfer was made in relation to “excepted energy buildings”; that is buildings forming part of energy infrastructure. This clause removes this exclusion by making the necessary provision for the transfer of functions under the Building Act 1984 for that category of buildings.

Clause 46: Renewable energy incentive schemes: consultation

588 This clause creates a duty for the Secretary of State to consult Welsh Ministers before establishing or amending a renewable energy incentive scheme. A renewable energy incentive scheme is defined and includes the Renewable Heat Incentive, Renewables Obligation, Feed-in Tariff and Contracts for Difference. The duty to consult will not apply where amendments of a minor or technical nature are being made. Nor is there a duty to consult in relation to the creation of a levy to fund an incentive scheme.

Part 3: Miscellaneous

Clause 47: Provision of information to the Office for Budget Responsibility

589 This clause enables the Office of Budget Responsibility to obtain such Welsh information as it may reasonably require to fulfil its statutory duty. This information will be used to produce forecasts and analysis of the economy and the public finances.

590 Subsection (1) provides that the Office has a right of access to such Welsh information as may reasonably be required for it to report on the sustainability of the public finances. This includes information which may reasonably be required to produce fiscal and economic forecasts, and to assess the likely or actual achievement of the fiscal mandate. The Office’s right of access to this information can be exercised at any reasonable time. The Office also has a right to assistance and explanation in relation to this information, set out in subsection (2).

591 Subsection (4) specifies that the Office will receive information in compliance with any statutory provision (such as the Data Protection Act 1998) or common law rules (such as duties of confidentiality). The Office will not have access to confidential information relating to taxpayers and any information that is received will comply with data protection principles. The Office has not required access to such information in exercising its current forecasting functions.

Clause 48: Gas and Electricity Markets Authority

592 Subsection (1) of this clause amends section 37 of GoWA, which gives the Welsh Assembly power to require persons to attend its proceedings to give evidence or to produce documents. A new subsection (6A) is inserted in section 37 to give the Welsh Assembly power to impose such requirements in connection with the discharge of the functions of the Gas and Electricity Markets Authority (“the Authority”) in relation to Wales.

593 Subsections (2) and (3) amend sections 5 and 5XA of the Utilities Act 2000 (“the 2000 Act”).

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).
594 Section 5 of the 2000 Act, as amended by the Scotland Act 2016, requires the Authority to send its annual report to the Secretary of State, and imposes a duty on the Secretary of State to lay that report before both Houses of Parliament and send a copy to the Scottish Ministers. Subsection (2) amends that section to require the Secretary of State to send the annual report to the Welsh Ministers (as well as the Scottish Ministers), and to require the Welsh Ministers to lay a copy of each report before the Assembly.

595 Section 5XA of the 2000 Act, as inserted by the Scotland Act 2016, requires the Authority to send a copy of its certified accounts and report to the Scottish Ministers each year. Subsection (3) amends that section to require the Authority to send its certified accounts and report to the Welsh Ministers (as well as the Scottish Ministers), and to require the Welsh Ministers to lay copies of those documents before the Assembly.

Clause 49: Licensing of coal-mining operations: approval by Welsh Ministers
596 This clause provides that where a coal operator wants to mine in Wales, it must seek the approval of the Welsh Ministers as part of its application for a licence to do so.

Clause 50: Office of Communications
597 Ofcom is the UK-wide independent communications regulator overseeing television, radio, telecoms, mobiles, postal services and the airwaves. It was established by the Office of the Communications Act 2002 ("the 2002 Act").

598 Section 1 of the 2002 Act provides that the Secretary of State appoints the chairman and other members of Ofcom. Subsections (2) and (3) of this clause amend section 1 of the 2002 Act to provide that the Welsh Ministers shall appoint one member of Ofcom and, before doing so, they must consult the Secretary of State. Subsection (4) also amends section 1(5) to ensure that the member appointed by the Welsh Ministers is involved in the appointment of any executive members of Ofcom.

599 The Schedule to the 2002 Act makes further provision about Ofcom including qualification for membership, tenure of office, accounts & audit and annual reports. Subsection (5) of this clause amends the application of the Schedule in relation to the member of Ofcom appointed by the Welsh Ministers. The functions relating to ensuring that a person being appointed to Ofcom does not have any conflict of interest and the functions relating to a member’s resignation or removal for office are conferred on the Welsh Ministers. The member may only be removed from office by the Welsh Ministers following consultation with the Secretary of State.

600 Subsection (7) of this clause amends the Schedule to the 2002 Act to require the Comptroller and Auditor General to send a copy of Ofcom’s statement of accounts and his report to the Welsh Ministers and for the Welsh Ministers to lay those documents before the Assembly. Similarly, subsection (8) amends the Schedule to the 2002 Act to require Ofcom to send its annual report to the Welsh Ministers and for the Welsh Ministers to lay the report before the Assembly.

Part 4: General

Clause 51: Consequential provision
601 Subsection (1) incorporates Schedule 5 which makes minor and consequential amendments.

602 Subsections (2)-(5) create a power for the Secretary of State to make regulations amending primary or secondary legislation, which the Secretary of State consider appropriate in consequence of any provision in the Bill.

603 Subsection (6) requires regulations made under subsection (2) to be made by affirmative
resolution procedure in both Houses of Parliament, if the regulations amend primary legislation.

604 Subsection (7) requires regulations made under subsection (2) to be made by negative resolution procedure in Parliament, if the regulations do not amend primary legislation.

605 Subsection (8) clarifies that "primary legislation", for the purposes of this section, includes Measures and Acts of the Assembly, as well as Acts of Parliament.

Schedule 5: Minor and consequential amendments

606 This Schedule contains further amendments to existing legislation in consequence of the Bill.


607 Part 1 of Schedule 5 contains minor and consequential amendments to GoWA relating to Part 1 of the Bill. The changes are primarily a consequence of the conferred powers model being replaced by a reserved powers model.

608 Paragraph 2 omits sections 103-106A which dealt with the commencement of the Assembly Act provisions. As the Assembly Act provisions were already commenced on 5 May 2011 and have now also been replaced by the legislative competence provisions in this Bill, these sections are redundant.

609 Paragraph 3 updates section 109 of GoWA so that it includes the correct references to the new reserved powers model, for example Schedules 7A and 7B instead of Schedule 7.

610 Paragraph 3(3) omits the requirement provision in section 109(4)(b) which states that the first ever Order in Council under section 109 does not require Assembly approval. The first section 109 Order has already been made so this provision is now redundant.

611 Paragraph 3(4) replaces section 109(5) to ensure that future alterations to Schedules 7A or 7B do not affect the validity of Assembly Acts already passed unless the enactment making the alteration provides otherwise.

612 Paragraph 4 updates section 114 of GoWA so that it refers to reserved matters under Schedule 7A instead of matters not listed (or excepted) under Schedule 7.

613 Paragraph 5 updates section 116B of GoWA so that it refers to the new legislative competence tests under section 108A(2)(b) and (c) instead of the old tests under section 108(4) and (5).

614 Paragraph 6 amends section 157 of GoWA to include references to regulations as well as orders, which may be made by Ministers of the Crown and Welsh Ministers under GoWA.

615 Paragraph 7 updates section 159 of GoWA so that it includes the definitions that are relevant to the new reserved powers model.

616 Paragraph 8 omits a (now redundant) reference to the Assembly Act provisions in section 161(7) of GoWA. See the explanation above in relation to paragraph 2 of this Schedule.

617 Paragraph 9 omits Schedule 6 to GoWA which dealt with the 2011 referendum in Wales because these are no longer operative.

618 Paragraph 10 omits (now redundant) amendments to the National Audit Act 1983 that were made in Schedule 10 to GoWA. See Part 2 of Schedule 3 to the Bill for further amendments to that 1983 Act.

Part 2: Amendments relating to onshore petroleum

619 Part 2 makes a number of consequential amendments relating to onshore petroleum licensing.

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).

Subsection (2) amends subsections (1A), (1B) and (1C) (which are also inserted into the Petroleum Act by the Scotland Act 2016). The amendments to these subsections have the effect of reserving, for the Secretary of State, regulatory powers to make model clauses in relation to the consideration payable for a licence granted by Welsh Ministers as well as: (a) the measurement and facilitation of measurement of petroleum obtained from the licensed areas and (b) the keeping of accounts. The powers of the Welsh Ministers do not, therefore, extend to the drafting of model clauses on the above matters or to the modification or exclusion of such clauses.

Sub-paragraph (3) inserts a new subsection (3B) into section 4 of the Petroleum Act 1998 to establish that any regulations under section 4 made by the Welsh Ministers shall be made as statutory instruments subject to the annulment in pursuance of a resolution of the Assembly.

Sub-paragraph (4) inserts a new subsection (4B) into section 4 of the Petroleum Act 1998 which requires Welsh Ministers to publish notices of licenses granted by them for the Welsh onshore area in such a manner as they think appropriate.

Paragraph 12 amends section 4A of the Petroleum Act 1998, to transfer functions from the Secretary of State in relation to hydraulic fracturing consents to the Welsh Ministers as regards wells in the Welsh onshore area. These functions include the conditions regulating the issuance of such consent by the Secretary of State or the Welsh Ministers.

Paragraph 13 amends section 4B of the Petroleum Act 1998, which contains further provision about the issue of hydraulic fracturing consents. Sub- paragraph (2) and (3) amend subsections (4)(a), (4)(b) and (7) of section 4B to limit to the English onshore area (which is defined in a new subsection (7) inserted in section 8A by clause 22 (4) as England including waters inside of the “baseline” by which the extent of territorial sea is established)) the Secretary of State’s power to make regulations by means of statutory instrument with regard to the descriptions of areas which are “protected groundwater source areas” and with regard to those which are “other protected areas”. The subsections, as amended, require the Secretary of State to consult the Environment Agency.

Sub-paragraph (4) inserts new subsections (7A), (7B) and (7C) into section 4B into the Petroleum Act 1998 to provide Welsh Ministers with the power to make regulations by means of statutory instrument on the descriptions of areas which are “protected groundwater source areas” and “other protected areas” insofar as these apply to the Welsh onshore area. Any draft instrument must be laid before and approved by a resolution of the Assembly before such a statutory instrument can be made. The Welsh Ministers are required to consult the Natural Resources Body for Wales before making such regulations.

Sub-paragraph (5) amends subsection (8) to specify that the Environment Agency is the relevant environmental regulator for wells in the English onshore area and that the Natural Resources Body for Wales is the relevant environmental regulator for wells in the Welsh onshore area. The subsections also aligns the definition of a well consent to reflect the devolution of such consents to “the appropriate Minister”.

Sub-paragraph (6) restricts the power of the Secretary of State in subsection (9) of section 4B to amend the definition of “onshore licence for England and Wales” in consequence of regulations made under section 4. So, if the amendment is made, the Secretary of State will only be able to amend the definition as it applies in the English onshore area, and the Secretary of State will only be able to exercise the power in consequence of his own exercise of the power in section 4 of the Petroleum Act (and not in consequence of the exercise of the same power by the Welsh Ministers).

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).
629 Sub-paragraph (7) inserts subsection (9A) section 4B to provide an equivalent power to that in subsection (9) (as amended by paragraph (e)) to the Welsh Ministers.

630 Sub-paragraph (8) amends subsection 4B(10) to limit to the English onshore area the power of the Secretary of State to make amendments in relation to the requirements to be fulfilled before issuing a hydraulic fracturing consent set out in Column 2 of the table in section 4A.

631 Sub-paragraph (9) inserts subsection (12) and (13) into section 4B. Subsection (12) provides Welsh Ministers with the power to amend by regulations the requirements set out in Column 2 of the table in section 4A so far as related to the Welsh onshore area. A draft instrument must be laid before and approved by a resolution of the National Assembly for Wales before such a statutory instrument can be made (see new subsection (13)).


633 Paragraph 15 amends section 12 (interpretation of Part 1) of the Oil Taxation Act 1975. To put Welsh Ministers in the same position as the Oil and Gas Authority, including that the revocation of a licence be Welsh Ministers to the list of cessation events by which a person ceases to be a licensee in relation to oil fields.

634 Paragraph 16 amends paragraph 1(2) of Schedule 1 to the Oil Taxation Act 1975 by inserting new paragraphs (ac) and (ad) after paragraphs (aa) and (ab) (which are inserted by the Scotland Act 2016). These new paragraphs limit the powers of the Secretary of State for determining oil fields to those areas that are such that the granting of a licence within them, under Part 1 of the Petroleum Act 1998, would fall exclusively to the Secretary of State. Where areas are such that the granting of a licence within them would fall exclusively to the Welsh Ministers, they become the appropriate authority for determining oil fields. Where areas are such that the granting of licences partially fall to the Secretary of State and partially fall to the Welsh Ministers, these shall act jointly for the purposes of determining oil fields.

635 Paragraphs 17 to 19 amend provisions in the Taxation of Chargeable Gains Act 1992, the Finance Act 1993 and Capital Allowances Act 2001 to reflect that in future the Welsh Ministers will be the licensing authority for the Welsh Onshore Area.

636 Paragraph 20 inserts a new subsection (13) into section 188 of the Energy Act 2004 to attribute, to Welsh Ministers, powers to make provisions that require the payment of charges to them in respect of their carrying out their relevant energy functions under Part 1 of the Petroleum Act 1998. The sums received under such charges must be paid by the Welsh Ministers into the Welsh Consolidated Fund. The provisions to require payment of such charges are to be set out by means of statutory instruments, subject to annulment in pursuance of a resolution of the Assembly.

637 Paragraphs 21 to 23 amend provisions the Corporation Tax Act 2010 to reflect that in future the Welsh Ministers will be the licensing authority for the Welsh Onshore Area.

**Part 3: Amendments of other Acts**

638 Part 3 of Schedule 5 contains minor amendments to various Acts of Parliament (other than GoWA) that are required in consequence of the Bill. However, this Part 3 does not include amendments in consequence of the onshore petroleum provisions in the Bill (as to which, see Part 2 of Schedule 5).

639 Paragraphs 29-36 of Schedule 5 amends the following provisions of the Road Traffic

*These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).*
Paragraph 29 amends section 17 (traffic regulation on special roads), in relation to special roads in Wales to provide that the power of the Secretary of State can only be exercised after consultation with Welsh Ministers; and that before regulating, Welsh Ministers must consult the National Park authority for any National Park affected.

Paragraph 30 amends section 65 (Powers and duties of traffic authorities as to placing of traffic signs), to enable the relevant authority to give general directions under section 65(1). Relevant authority is defined in the same way as section 25. This section is also amended to ensure that Welsh Ministers, when exercising their power to give general directions, do so by statutory instrument.

Paragraph 31 amends section 72 (powers exercisable by parish or community councils) to provide that nothing in this section should prejudice the exercise of the section 69 powers by the highways authority, Welsh Ministers or Secretary of State.

Paragraph 32 amends section 81 (general speed limit for restricted roads) to: enable the national authority to exercise the power by order to increase or reduce the speed limit for motor vehicles on restricted roads; provide that any such order made by Welsh Ministers is subject to the affirmative procedure; and require the Welsh Ministers or the Scottish Ministers and the Secretary of State to consult each other before making any such order.

Paragraph 33 amends section 83 (provisions as to directions by a traffic authority under section 82(2)), to provide that the power of Welsh Ministers to make a direction that a road should be, or cease to be, a restricted road, is exercisable by statutory instrument.

Paragraph 34 amends section 85 (traffic signs for indicating speed restrictions), to provide that the power of the Welsh Ministers to give general directions is to be exercisable by statutory instrument; and to require the Welsh Ministers or the Scottish Ministers and the Secretary of State to consult each other before exercising their powers to give general directions.

Paragraph 35 amends section 88 (temporary speed limits), to provide that the first order made by Welsh Ministers imposing a temporary speed limit should not be made until a draft has been approved by a resolution of the Assembly; and that the power of Welsh Ministers to make an Order is exercisable by statutory instrument subject to annulment in pursuance of a resolution of the Assembly.

Paragraph 36 amends section 134 (regulations), to:

a. require the Secretary of State to consult with Welsh Ministers before making regulations under section 25 or 64,

b. ensure that any regulations made by Welsh Ministers are made by statutory instrument,

c. require Welsh Ministers to consult with representative organisations before making regulations under any provision of the Act (except in relation to sections 103(1), 108 to 110, Schedule 4, Schedule 8 and Schedule 12),

d. provide that a statutory instrument containing regulations made by Welsh Ministers is to be subject to the negative procedure (except in relation to section 86),

e. make Welsh Ministers’ regulations under section 86 subject to the affirmative procedure in the Assembly, and

f. require Welsh Ministers to consult the Secretary of State before making regulations under section 25 or 64.
Paragraph 37 amends section 134 of the Transport Act 1985 (regulations, rules and orders) to specify the types of provisions that the Welsh Ministers’ can make using their new powers under that Act.

Paragraph 38 amends section 135 of the Transport Act 1985 (procedure for making regulations, rules and orders) to provide that the Welsh Ministers’ new powers under that Act are exercisable by statutory instrument, are subject to negative resolution procedure in the Assembly, and that Welsh Ministers must consult such representative organisations as they think fit before making the regulations.

Paragraph 39 amends section 36 of the Road Traffic Act 1988 (offence of failing to comply with traffic sign). This amendment replaces references to “national authority” in section 36(1)(b) and (3)(a) with references to the new definition of “relevant authority”. Section 36(6) is amended to require the Secretary of State to consult Welsh Ministers before making regulations under section 36(5). Similarly, section 36(7) is amended so that Welsh Ministers must consult the Secretary of State before making regulations under that subsection.

Paragraph 40 amends section 106 of the Electricity Act 1989 (regulations and orders) to provide that the Welsh Ministers’ new powers under sections 36 and 36C of, and paragraph 1(4) of Schedule 9 to, that Act, are exercisable by statutory instrument and are subject to negative resolution procedure in the Assembly.

Paragraph 41 amends paragraph 1 of Schedule 9 to the Electricity Act 1989 (preservation of amenity and fisheries) so that it refers to the new definition of “appropriate authority”, which includes the Welsh Ministers (see clause 36(11) of the Bill).

Paragraph 42 amends section 12 of the Marine and Coastal Access Act 2009 (certain consents under section 36 of the Electricity Act 1989) so that it refers to the Welsh inshore and offshore regions.

Clause 52: Transitional provision and savings

Subsection (1) incorporates Schedule 6, which makes transitional and savings provisions that are required in relation to the Bill’s provisions.

Subsection (2) creates a regulation making power for the Secretary of State to make additional transitional or savings provisions which appear appropriate in relation to the Bill.

Subsection (3) clarifies that the subsection (2) power includes the ability to make savings resulting from any amendment, repeal or revocation made by the Bill.

Subsection (4) provides that Schedule 5 does not limit the subsection (2) power and, indeed, that Schedule can itself be modified by the subsection (2) power.

Subsection (5) provides that Schedule 6 does not limit the subsection (2) power and, indeed, that Schedule can itself be modified by the subsection (2) power. This is necessary, in particular, to ensure that section 17(2)(a) of the 1978 Act applies. That section provides that where an Act repeals and re-enacts a previous enactment (unless the contrary intention appears) any reference to the repealed enactment elsewhere on the statute book is to be read as referring to the re-enacted provision. Similarly, secondary legislation and other things done under the repealed enactment, are to be read as if made or done under the re-enacted provision.

Subsection (6) requires regulations under subsection (2) to be made by statutory instrument.

Subsection (7) provides for regulations under subsection (2) to be subject to negative resolution procedure in Parliament.

Subsection (8) provides for regulations made under the subsection (2) power to be subject to
These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).

negative resolution procedure in Parliament.

Schedule 6: Transitional provisions

662 This Schedule contains transitional provisions. Part 1 of the Schedule includes the transitional provisions that relate to the Assembly’s legislative competence. Part 2 includes other transitional provisions relating to marine licensing in the Welsh zone.

663 Paragraph 1 ensures that none of the Bill’s provisions do anything to affect the validity (and continuing operation and effect) of any Assembly Act or Measure that has been passed before the amendments in the Bill take effect.

664 Paragraph 2 provides that the new legislative competence tests (as inserted by clause 3 and Schedules 1 and 2) only apply to an Assembly Bill that has either not passed Stage 1 by the principal appointed day, or is introduced into the Assembly after the principal appointed day. Passing Stage 1 means the Assembly has voted in favour of the Assembly Bill’s general principles. The principal appointed day is to be set out in regulations made by the Secretary of State under clause 49(3). Paragraph 2(1) states that an Assembly Bill falls if it has been introduced before the principal appointed day but has not passed Stage 1 successfully by that day.

665 Paragraph 3 has the effect that in the period beginning the date two months after Royal Assent and ending on the date of the principal appointed day, the Assembly will have the legislative competence to amend the sections of GoWA that provide for the name of the Assembly, the name of the Assembly Commission and what Acts of the Assembly are to be called. This is to allow the Assembly to effect a name change before the principal appointed day if it so wishes.

666 Paragraph 4 provides that the Bill’s repeal of section 105 of GoWA does not affect the continuing operation of an amendment to an enactment made by an order under section 105(2). However, that is subject to an amendment or repeal of such an enactment made by this Bill.

667 Paragraph 5 clarifies that the Bill’s repeal of section 106(2) of GoWA does not affect the continuing operation of the saving section 106(2) makes in relation to the continuing effect of Assembly Measures.

668 Paragraph 6 contains transitional provisions which apply generally where functions are devolved to Welsh Ministers by other provisions of the Bill. The validity of pre-commencement actions is preserved and anything that is in the process of being done on commencement may be continued by Welsh Ministers. The paragraph does not apply where alternative transitional provision is made on the face of the Bill in connection with the devolution of functions to Welsh Ministers. Transitional provisions may also be made in regulations under the powers conferred by clause 51(2).

669 This Schedule also makes transitional provision so that:

(a) marine licences issued by the Secretary of State or the Marine Management Organisation (MMO) in relation to the Welsh offshore region prior to the commencement date continue to be valid (sub-paragraph (1)). Sub-paragraph (5) applies the powers available to Welsh Ministers under section 72 of the 2009 Act (variation, suspension, revocation, transfer) to such licences.

(b) any application for a marine licence under Part 4 of the 2009 Act which is made before the commencement date continues to be determined by the appropriate licensing authority who was responsible for the application at the date it was made (sub-paragraph (2)). For example, an application made prior to the commencement date for which the MMO is responsible (under powers delegated by the Marine Licensing (Delegation of Functions) Order 2011 as amended) will proceed to be determined by the MMO; and
(c) any appeal against:

(i) a marine licence decision under section 71 of the 2009 Act; or

(ii) the issue of any enforcement notice, stop notice and emergency safety notice issued under sections 72, 90, 91, 102, or 104 of that Act respectively,

670 which is made before the commencement date continues to be governed by the appeals regime which applied at the time the appeal was made (sub-paragraph (4)).

671 The commencement date is defined in sub-paragraph (6) as the date on which section 26 takes effect;

Clause 53: Commencement

672 Clause 53 details the commencement arrangements for the Bill.

673 Subsection (1) provides that the consequential provisions in clause 47(2)-(8), the transitional provisions in clause 48 and Schedule 5, the commencement provisions in clause 49 and the short title provision in clause 50 all commence on Royal Assent.

674 Subsection (2) provides that clauses 1, 2 and 14-16 all commence two months after Royal Assent.

675 Subsection (3) states that clause 3 and Schedules 1 and 2 (which add section 108A and Schedules 7A and 7B to GoWA) will commence on the “principal appointed day” which is to be set out in regulations made under this subsection. The Welsh Ministers and the Assembly’s Presiding Officer must be consulted by the Secretary of State before the regulations are made.

676 Subsection (4) allows the Secretary of State to commence the remaining provisions of the Bill by regulations, either on the principal appointed day or another date. The commencement of the remaining provisions of the Bill is not subject to the consultation requirement of subsection (3).

677 Subsection (5) provides that the power to make regulations under this clause is exercisable by statutory instrument.

678 Subsection (6) requires there to be a four month period between the regulations under subsections (3) and (4) being laid, and the “principal appointed day” under subsection (3) or other commencement day under subsection (4).

679 Subsection (7) allows regulations under this clause to appoint different days for different purposes. However, this does not apply to the commencement of the reserved powers model (clause 3 and Schedules 1 and 2).

Clause 54: Short title

680 Clause 54 states that the Act may be cited as the Wales Act 2016.

Commencement

681 Commencement of the provisions of the Bill is specified in Clause 53.

Financial implications of the Bill

682 The Wales Bill is a piece of constitutional, enabling legislation which itself does not trigger...
immediate financial implication. It will be for the Assembly to determine how they will use the devolved powers, and assess the financial impact of their policy choices.

**Compatibility with the European Convention on Human Rights**

683 The Secretary of State for Wales has made a statement under section 19(1)(a) of the Human Rights Act 1998 that, in his view, the provisions of the Wales Bill are compatible with the Convention rights, on introduction of the Bill in the Commons.

684 Provisions of the Wales Bill will not engage any ECHR rights. Although the Bill changes the basis of the Assembly’s legislative competence, no change is being made to the restriction which currently applies on the Assembly making legislation that is incompatible with the Convention rights. The restriction contained in section 108(6)(c) of the Government of Wales Act 2006 (referred to in this note as “the 2006 Act”) is being re-enacted in new section 108A(2)(e) of that Act.

685 The Bill will transfer to Welsh Ministers certain powers to make delegated legislation. However, no modification is proposed to section 81 of the 2006 Act which provides that the Welsh Ministers have no power to make any subordinate legislation or do any other act so far as the legislation or act is incompatible with any of the Convention rights.

**Related documents**

686 The following documents are relevant to the Bill and can be read at the stated locations:

- **Powers for a Purpose: Towards a lasting devolution settlement for Wales 2015:**

- **Empowerment and Responsibility: Legislative Powers to Strengthen Wales 2014:**

- **Wales Act 2014:**

- **Empowerment and Responsibility: Financial Powers to Strengthen Wales 2012:**

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Annex A - Territorial extent and application

687 The table below sets out the position at Introduction and is subject to change.1

688 All of the clauses in the Bill extend to the whole of the UK. The Bill resets the devolution boundary in Wales, whilst also devolving further powers to the Welsh Assembly and the Welsh Ministers. As such, the Bill is of constitutional significance to the whole of the UK.

689 The UKG’s view is that, because of the importance of the Bill to the UK’s constitution, the majority of the clauses have more than a minor or consequential effect on Scotland and Northern Ireland; they go to the heart of where the power to legislate rests in the UK.

690 Clauses 1-7, 16-43 and 45-54 are all considered to be in the same category of sufficient constitutional significance to have UK-wide application.

691 Clauses 8-15 only have application to Wales as they relate to the Welsh Assembly’s internal procedures and arrangements. They therefore do not have any more than minor or consequential application to England, Scotland and/or Northern Ireland.

692 Clause 44 is the anomaly. It creates a power for the Secretary of State to intervene where there is a serious adverse impact on sewerage services in England, caused by Assembly legislation or by Welsh Ministers. This applies only to England and Wales, but an equivalent Secretary of State intervention power would not be within the competence of the Scottish Parliament or Northern Ireland Assembly.

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<tr>
<th>Provision</th>
<th>Extends to E &amp; W and applies to England?</th>
<th>Extends to E &amp; W and applies to Wales?</th>
<th>Extends and applies to Scotland?</th>
<th>Extends and applies to Northern Ireland?</th>
<th>Would corresponding provision be within the competence of the Assembly?</th>
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<th>Legislative Consent Motion needed?</th>
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</table>

1 References in this Annex to a provision being within the legislative competence of the Scottish Parliament, the Assembly or the Northern Ireland Assembly are to the provision being within the legislative competence of the relevant devolved legislature for the purposes of Standing Order No. 83J of the Standing Orders of the House of Commons relating to Public Business.

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).
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<td>and executive competence: further provision Clauses 22-43</td>
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<td>2 Legislative and executive competence: further provision Clause 44</td>
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<td>3 Misc Clauses 47-50</td>
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<td>4 General Clauses 51-54</td>
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<td>N/A</td>
<td>Yes (W)</td>
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</table>

**Minor or consequential effects**

In the view of the UKG, none of the Bill’s provisions are considered to apply only to England with only minor or consequential beyond England.

*These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).*
Annex B - The legislative competence tests

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016 (Bill 5).
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Defined terms in Flowcharts 1 and 2

"ancillary" is defined in s108A(7). A provision is ancillary to another if: "(a) provides for the enforcement of the other provision or is otherwise appropriate for making that provision effective, or (b) is otherwise incidental to, or consequential on, that provision",

"appropriate Minister" is defined in paragraph 8(5) of Schedule 7B as the Secretary of State or, in the case of HMRC, the Treasury,

"confine" includes "impose", "modify" and "remove",

"GoWA" means the Government of Wales Act 2006,

"listed category" means those categories of offences listed in paragraph 4(2) of Schedule 7B,

"modify" includes conferring a power to modify. “Modifications” is defined in s.158 of GoWA to include “amendments, repeals and revocations”,

"private law" is defined in paragraph 3(2) of Schedule 7B as "the law of contract, agency, bailment, tort, unjust enrichment and restitution, property, trusts and succession",

"protected enactments" are listed in paragraph 5(1) of Schedule 7B as the European Communities Act 1972, certain sections of the Government of Wales Act 1998, the Human Rights Act 1998, the Civil Contingencies Act 2004 and certain sections of the Public Audit (Wales) Act 2013,

"public authority" is defined in paragraph 8(4) of Schedule 7B,

"reserved authority" is defined in paragraph 8(3) of Schedule 7B as a Minister of the Crown, a UK Government department, and any other public authority that is not a Welsh public authority,

"reserved matters" are listed in Schedule 7A,

"the law on reserved matters" is defined in paragraph 1(2) of Schedule 7B as both legislation and the common law, the subject matter of which is a reserved matter, and

"Wales public authority" is defined in new section 157A of GoWA, as inserted by clause 4 of the Bill.
WALES BILL

EXPLANATORY NOTES

These Explanatory Notes relate to the Wales Bill as introduced to the House of Commons on 7 June 2016.

________________________________________________________
Ordered by the House of Commons to be printed, 7 June 2016.
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Printed In the United Kingdom by The Stationery Office Limited

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