



Eich cyf/Your ref
Ein cyf/Our ref

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Welsh Parliament
Cardiff Bay CF99 1SN

22 January 2026

Dear Mike,

I wish to inform the Committee of my intention to consent to Blair McDougall MP, the Parliamentary Under-Secretary of State (Minister for Small Business and Economic Transformation) laying before Parliament, pursuant to the affirmative procedure, a Statutory Instrument (SI), The Provision of Services (Amendment and Transitional Provision) Regulations 2026, which will amend the Provision of Services Regulations 2009 ('the Regulations') in devolved areas.

The Regulations transposed the EU Services Directive 2006/123/EC, which provided a framework of rules for how service activities are regulated in the UK. They ensure that authorisation schemes (e.g. schemes concerning licences that businesses or individuals must secure before providing a service) which are administered by Competent Authorities (CAs) (e.g. local authorities and regulators), are proportionate, justified in the public interest, and conducted in a fair, accessible and transparent way for businesses.

The purpose of making targeted changes to the Regulations is to make authorisation schemes more transparent, efficient, and cost-effective, and to reduce regulatory burdens for businesses while supporting the UK's trade agenda. In summary, the proposed reforms cover six areas, five of which will be implemented by the SI, and one which will be implemented by non-legislative measures:

Reforms to be implemented by the SI:

- a) Expand the benefits of the PoSRs to anyone regardless of nationality or establishment.
- b) Require CAs to provide information to the Secretary of State about tacit authorisation arrangements, including where tacit authorisation does not apply, to state the public interest reason for it not applying.
- c) Add a requirement for CAs running authorisation schemes to keep applicants informed of the status and outcome of their application.
- d) Increase the flexibility of the application process, for example, by requiring CAs to accept licence applications all year round.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- e) Clarify that CAs are prohibited from charging fees at the time of application that encompass costs for ongoing management and enforcement of the authorisation scheme.

Reforms to be implemented by non-legislative measures:

- f) Require specific information to be updated on the *Find a Licence* online tool and/or the website of the CA, making the list of information to be provided more comprehensive. This reform is not included in the SI as non-legislative options are being proposed by the UK government to ensure information remains up to date, such as issuing annual reminders to CAs to encourage them to check and update content and conduct regular audits.

The Welsh Government's Principles on UK Legislation in Devolved Areas states that 'subordinate legislation in devolved areas should be enacted by the Welsh Ministers where there is executive competence'. The Principles do however go on to say, 'there may also be situations in which it is in the best interests of Wales for UK government Ministers to make secondary legislative provision which would be within Welsh Ministers' executive competence, with the consent of the Welsh Ministers'. In particular, where the UK legislation covers both devolved and reserved matters and enables policy objectives to be most effectively achieved, it may be appropriate for UK government ministers to act.

In addition, there are clear justifications for supporting consent to the UKSI:

- a) These changes are not a policy priority and therefore it is not sensible to divert resources to making the legislation ourselves. The Welsh Government would not choose to make these changes of its own volition given the minimal benefits that can be expected to be realised.
- b) The benefits to business may be minimal, but they exist, and they could have an impact on small businesses by easing any difficulties some may encounter when applying for authorisations from CAs.
- c) The changes are unobjectionable from a policy perspective.

Consequently, it is sensible to allow the UK government to make the proposed changes in devolved areas so that Wales can realise small benefits for our businesses without the Welsh Government having to expend resources making the changes.

The Regulations will be laid before Parliament in February 2026 and, if approved by UK Parliament, made using the concurrent powers of the Secretary of State in sections 12(1), 14(2) and 20(1) of the Retained EU Law (Revocation and Reform) Act 2023, and will come into force on 1 October 2026.

Yours sincerely,



Rebecca Evans AS/MS

Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio