
WELSH STATUTORY INSTRUMENTS

2006 No. 979 (W.102)

LOCAL GOVERNMENT, WALES

**The Local Government (Best Value Authorities)
(Power to Trade) (Wales) Order 2006**

Made - - - - 29 March 2006

Coming into force - - 1 April 2006

The National Assembly for Wales, in exercise of the powers conferred on it by sections 95, 96 and 123 of the Local Government Act 2003⁽¹⁾, hereby makes the following Order:

Title, commencement and application

1.—(1) The title of this Order is the Local Government (Best Value Authorities) (Power to Trade) (Wales) Order 2006 and it comes into force on 1 April 2006.

(2) This Order applies in relation to best value authorities in Wales⁽²⁾ which are—

- (a) county councils or county borough councils;
- (b) National Park authorities; and
- (c) fire and rescue authorities constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004⁽³⁾ or a scheme to which section 4 of that Act applies.

Power to trade in function-related activities

2.—(1) Subject to paragraphs (2) and (3), a best value authority is authorised to do for a commercial purpose anything which it is authorised to do for the purpose of carrying on any of its ordinary functions⁽⁴⁾.

(2) Before exercising the power conferred by paragraph (1), the best value authority must—

- (a) prepare a business case in support of the proposed exercise of that power; and
- (b) approve that business case.

(1) 2003 c. 26.

(2) See section 124 of the Local Government Act 2003 for the definition of “best value authority”.

(3) 2004 c. 21.

(4) See section 95(7) of the Local Government Act 2003 for the meaning of “ordinary functions”.

(3) A best value authority must recover the costs of any accommodation, goods, services, staff or any other thing that it supplies to a company⁽⁵⁾ in pursuance of any agreement or arrangement to facilitate the exercise of the power conferred by paragraph (1).

(4) In this article “business case” means a comprehensive statement as to—

- (a) the objectives of the business;
- (b) the investment and other resources required to achieve those objectives;
- (c) any risks the business might face and how significant these risks are; and
- (d) the expected financial results of the business, together with any other relevant outcomes that the business is expected to achieve.

Signed on behalf of the National Assembly for Wales under section 66(1) of the Government of Wales Act 1998⁽⁶⁾

29 March 2006

D. Elis-Thomas
The Presiding Officer of the National Assembly

⁽⁵⁾ See section 95(4) of the Local Government Act 2003 for the meaning of “company”.

⁽⁶⁾ 1998 c. 38.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order applies to best value authorities in Wales which are county councils, county borough councils, National Park authorities and fire and rescue authorities.

Article 2 authorises a best value authority to which the Order applies to trade in any of its ordinary functions subject to conditions requiring the prior preparation and approval of a business case, and the recovery of any costs incurred by the authority in anything it supplies, including accommodation, goods, services or staff, to a company through which the trading power is exercised. Under section 95(4) of the Act, the power to trade must be exercised through a company.