

SUPPLEMENTARY LEGISLATIVE CONSENT MEMORANDUM (MEMORANDUM NO 4)

THE PUBLIC AUTHORITIES (FRAUD, ERROR AND RECOVERY) BILL

1. This legislative consent memorandum is laid under Standing Order (“SO”) 29 which prescribes that a legislative consent memorandum must be laid, and a legislative consent motion may be tabled, before Senedd Cymru if a UK Parliamentary Bill makes provision in relation to Wales that has regard to devolved matters.
2. The Public Authorities (Fraud, Error and Recovery) Bill (“the Bill”) was introduced in the House of Commons on 22 January 2025. An LCM was laid on the 7 February 2025 and can be found at <https://senedd.wales/media/qlsadndi/lcm-ld16978-e.pdf>
3. In response to government amendments further Supplementary Legislative Consent Memoranda were laid on 6 March 2025. <https://senedd.wales/media/grthxdes/slcm-ld17040-e.pdf>.
4. In response to government amendments further Supplementary Legislative Consent Memoranda were laid on 7 May 2025. <https://laiddocuments.senedd.wales/slcm-ld17160-en.pdf>
5. On 8 October 2025, further government amendments were tabled during Report Stage in the House of Lords.

Policy Objectives

6. The UK Government’s stated policy objectives remain the same as set out in first LCM, which was laid on 7 February 2025 ([lcm-ld16978-e.pdf](https://senedd.wales/media/qlsadndi/lcm-ld16978-e.pdf)).

Summary of the Bill

7. The Bill is sponsored by the Department for Work and Pensions and the UK Cabinet Office.
8. A summary of the Bill was provided in the first LCM and remains accurate.
9. Welsh Government officials and UK Government officials have continued their regular contact in relation to the development of the Bill, including in relation to Government amendments that affect Wales.

Provisions in the Bill for which consent is required

10. The clauses of the Bill as introduced which meet the SO29 Test were 1, 2, 5, 6, 7 (and Schedule 1), 9, 10, 64, 65, 67 and 69 (and Schedule 2).
11. The insertion of clause 37 in the latest version of the Bill means that the numbering of clauses has altered from clause 37.

12. The clauses of the Bill as amended which meet the SO29 Test are now 1, 2, 5, 6, 7, (and Schedule 1), 9, 10, 65, 66, 68 and 70 (and Schedule 2).

UK Government view on the need for consent

13. UK Government have identified clauses 1, 2, 7 (and Schedule 1), 9, 64, 65 and 69 (and Schedule 2) as requiring an LCM.
14. The insertion of clause 37 in the latest version means the UK Government have identified clauses 1, 2, 7, (and Schedule 1) 9, 65, 66, and 70 (Schedule 2) as requiring an LCM.

Update on the position since tabling of amendments on 8 October

15. The amendments were tabled in the House of Lords on the 8 October 2025 under the Report Stage of the Bill. The following amendments make relevant provision for the purpose of SO29:

Government Amendments

a) Clause 9 and Clause 68

These clauses were included in the original LCM.

Clause 9 ‘Incidents etc’ makes provision related to complaints about the use of powers that clause 7 makes available to the Minister during investigations under clause 1 and thus relates to devolved Welsh authorities (DWAs) as included in clause 1 of the Bill as public authorities within scope of the Bill.

Clause 68 ‘Disclosure of information etc: interaction with external constraints’ makes provision in relation to information sharing which supplements clauses in Part 1 of the Bill which relates to the disclosure of information and will apply to DWAs.

The amendments to these clauses relate to the interaction between this Bill and the Data (Use and Access) Act (DUAA) 2025. The DUAA provides one general provision so as to avoid the need to include specific provisions in individual acts. Clauses 9 and 68 no longer need to make explicit reference authorising disclosure and processing of information. The Senedd’s consent was sought in relation to clauses 9 and 68, and I consider that Senedd’s consent should now also be sought in relation to the amendment to remove the authorising disclosure and information sharing provisions.

b) Clause 70 ‘The Public Sector Fraud Authority’ & Schedule 2

This clause and Schedule 2 were included in the original LCM. Clause 70 (previously 69) and Schedule 2 put the PSFA on a statutory footing and provide

for transfer to the PSFA of the Minister's functions under the Bill. Some of those functions (particularly the core functions) are exercisable in relation to DWAs.

These amendments enable the PSFA to set up as a statutory body in order to potentially allow it to merge with another body, which would require the other body to amend its legislation. The proposed amendments build in future flexibility to achieve the same aim in terms of separation between Investigators and Ministers but not necessarily set up an entirely new statutory body. The amendments to clauses already subject to an LCM make provision that have regard to devolved matters.

Conclusion

16. In my view, it is appropriate to deal with these provisions in a UK Bill. The legislation is consistent with the Welsh Government's focus on safeguarding public funds from fraud and error. Therefore, I recommend the Senedd supports the proposals and gives its consent.

Jane Hutt MS Cabinet Secretary for Social Justice, Trefnydd and Chief Whip
10 October 2025