



Ein cyf/Our ref: MA/RE/2314/21

Members of the Senedd

22 November 2021

Dear colleague

The Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill 2021

I am writing to provide further detail prior to the 23 November Plenary debate on the Legislative Consent Motion for the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill. I would like to thank both the Legislation, Justice and Constitution Committee, and the Economy, Rural Affairs and Trade Committee for their consideration of the Legislative Consent Memorandum on the Bill.

The provisions relating to Wales have the effect of preventing non-domestic rates appeals which cite Material Change of Circumstances based on Covid-19 related matters (MCC Covid-19 appeals). The provisions apply both prospectively and retrospectively: the retrospective aspect of the provisions can only be achieved by using primary legislation.

On 25 March the UK Government laid the Valuation for Rating (Coronavirus) (England) Regulations 2021 (the UKG Regulations) before the UK Parliament which came into force later that day. The UKG Regulations have the effect of preventing MCC Covid-19 appeals in England after 25 March. Prior to the introduction of the UKG Regulations, my officials were in discussion with counterparts in the UK Government to obtain information about the impact of the pandemic on non-domestic rates appeals in Wales and the options for managing this impact. This is an area where clarity and consistency and clarity of approach is important for ratepayers, given the interconnected nature of the non-domestic rating system in Wales and England: in particular, the initial stages of the appeals systems in both countries are managed by the Valuation Office Agency.

Limited information for Wales was available before the end of March and given the timing, it was not possible for policy and regulations applicable to Wales to be fully developed during the Senedd pre-election period.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

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.

The UK Government's Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill (the Bill) was introduced on 12 May. No opportunity was provided beforehand for the Welsh Government to consider whether provisions for Wales should be included on introduction.

In light of the information then available, we considered options for managing the impact of MCC Covid-19 appeals. The initial priority was given to seeking the inclusion of provisions applying to Wales in the Bill. These provisions, whilst having prospective effect, would also importantly have retrospective effect, which could not be achieved using subordinate legislation.

On 7 July, I [announced](#) our plans for MCC Covid-19 appeals, noting that we would seek to include provisions in the Bill and pursue secondary legislation to prospectively prevent appeals whilst the Bill progressed. Following 7 July, my officials liaised with UK Government counterparts to lay foundations for provisions for Wales to be included in the Bill.

I subsequently wrote to the then Secretary of State for Housing, Communities and Local Government on 27 July asking for relevant provisions for Wales to be included in the Bill. A response was received on 3 September from the then Minister for Regional Growth and Local Government, confirming that relevant provisions for Wales would be tabled as an amendment at House of Commons Report Stage on 9 September.

In tandem with developing provisions for inclusion in the Bill, we also recognised the need to pursue the making of regulations to protect public finances while the Bill progressed through the UK Parliament and as a mitigation against the risk of the Bill falling.

Though the UK Government did not consult when making its regulations, we considered it appropriate to carry out a technical consultation on its draft regulations. The six weeks consultation closed on 27 September, with a [summary of consultation responses](#) published on 21 October.

Following the outcome of the consultation, draft regulations were finalised and laid at the earliest possible date. [The Valuation for Rating \(Wales\) \(Coronavirus\) Regulations 2021](#) (the Wales Regulations) were laid on 1 November coming into force later that day. From 1 November, the Wales Regulations prevent appeals which seek to rely on Covid-19 related matters. Data is not yet available to illustrate the full effect of the Wales Regulations: this includes data about the risk to Welsh public finances which might have occurred between 25 March, when regulations for England were laid, and 1 November, when the Wales Regulations were made. However, the Wales Regulations have provided protection against any relevant appeals lodged since 1 November and will continue to do so whilst the Bill progresses through Parliament or in the event the Bill falls.

Provisions in the Bill have the effect of superseding both the UKG Regulations and the Wales Regulations, with clause 1(9) in the Bill as introduced revoking the UKG Regulations. As a result of timing constraints, it has not been possible to include a clause in the Bill revoking the Wales Regulations. I intend to lay further regulations to revoke the Wales Regulations, which will align with the timing of Royal Assent, should the Bill continue to progress.

Yours sincerely

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a period at the end.

Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government