



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

Huw Irranca-Davies MS
Chair of the Legislation, Justice and Constitution Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN
SeneddLJC@senedd.wales
Private.office@senedd.wales

9 December 2021

Dear Huw

The Welsh Government's Legislative Consent Memorandum on the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill 2021

I am writing in response to your letter of 1 December to provide a formal response to the Legislation, Justice and Constitution Committee's (the Committee) report of 17 November on the Legislative Consent Memorandum for the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill (the Bill).

I would like to apologise for any lack of clarity that has occurred in the handling of this legislation and I will be correcting the record for 23 November to clarify that the letter issued to the Committee on 20 November related to matters raised in relation to the Valuation for Rating (Wales) (Coronavirus) Regulations 2021 (the Regulations) and that the Committee had not received a formal response to its report on the Legislative Consent Memorandum for the Bill prior to the Plenary debate on the Legislative Consent Motion for the Bill on 23 November. I had intended to respond to issues raised by both the Committee and the Economy, Trade and Rural Affairs Committee in their respective reports by writing to all Members prior to debate as requested. I subsequently wrote to all Members on 22 November clarifying matters raised in both reports and I acknowledge that this did not constitute a formal response to either Committee's report.

I wrote to all Members on 22 November, prior to the relevant debate, setting out how, when and why requests were made to extend the application of the Bill to Wales. The letter provided details on timings, firstly in relation to announcing our policy intent on 7 July and writing to the UK Government on 27 July, and secondly in making the Regulations which were laid on 1 November. My letter also set out, as far as possible, details of the financial implications of those timings.

Recommendation 1. The Minister should, in advance of the relevant consent motion debate, provide full details to all Senedd Members of how, when and why the Minister requested that the England-only Bill that was introduced to the UK Parliament was amended so that its application was extended to Wales. Such details should include an explanation of the delay between notifying Senedd Members on 7 July of her intention to seek amendments to the Bill and not then formally writing to the UK Government until 27 July.

My letter of 22 November refers.

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.

Recommendation 2. The Minister should, in advance of the relevant consent motion debate, provide full details to Senedd Members of the reasons for this delay and any associated adverse impact on Welsh public finances.

As mentioned, I announced the Welsh Government's policy position on 7 July.

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

While the UK Government did not consult before making its regulations, we considered it appropriate to carry out a technical consultation on our draft regulations. The six-week consultation closed on 27 September, with a summary of consultation responses published on 21 October.

Following the outcome of the consultation, the draft regulations were finalised and laid at the earliest possible date. The Regulations were laid on 1 November, coming into force later that day. From 1 November, the Regulations prevented appeals which sought to rely on Covid-19 related matters. Information is not yet available to illustrate the full effect of the 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 Regulations for Wales were made. However, the 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.

Further, I note the Committee's remarks in its conclusions about information not included in the Explanatory Memorandum, interaction between the rating systems in Wales and England, and clarity on the approach which would have been taken if it had been possible to make provision in a Welsh Bill.

I am copying this letter to the Paul Davies MS, Chair of the Economy, Trade and Rural Affairs Committee for information, and would be happy to write to him separately should any further clarification be required.

Yours sincerely

A handwritten signature in cursive script that reads "Rebecca".

Rebecca Evans AS/MS

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