

SL(5)562 – The Business Tenancies (Extension of Protection from Forfeiture etc.) (Wales) (Coronavirus) Regulations 2020

Background and Purpose

Section 82 of the Coronavirus Act 2020 ensures that re-entry or forfeiture for non-payment of rent may not be enforced in relation to all types of commercial tenants during the “relevant period”. Section 82(12) of the Coronavirus Act 2020 defines the “relevant period” as beginning on 26 March 2020, and ending on 30 June 2020, or such later date as may be specified in regulations made by the relevant national authority.

The Welsh Ministers are the relevant national authority in relation to Wales. Accordingly, these Regulations extend the “relevant period” until 30 September 2020. As a result of these Regulations, the moratorium provided by section 82 of the Coronavirus Act 2020 is extended until 30 September 2020.

Procedure

Negative.

Technical Scrutiny

No points are identified for reporting under Standing Order 21.2 in respect of this instrument.

Merits Scrutiny

Two points are identified for reporting under Standing Order 21.3 in respect of this instrument.

1. Standing Order 21.3(ii) – that it is of political or legal importance or gives rise to issues of public policy likely to be of interest to the Senedd

We note the breach of the 21-day rule (i.e. the rule that 21 days should pass between the date a “made negative” instrument is laid before the Senedd and the date the instrument comes into force), and the explanation for the breach provided by Rebecca Evans MS, Minister for Finance and Trefnydd, in a [letter](#) to the Llywydd dated 19 June 2020.

In particular, we note the following paragraphs from that letter:

“The Welsh Government has been engaging with the UK Government on this issue in relation to a Code of Practice for landlords and tenants which seeks to promote improved cooperation between parties in dealing with the business challenges of COVID-19 as it impacts on business tenancy arrangements. In order to allow sufficient consideration of the Code by relevant parties to take place, the Regulations have been laid less than 21 days before coming into force.

Not bringing the Regulations in to effect from 30 June 2020 would lead to an undesirable gap in the protections which are designed to promote stability and resilience within the Welsh economy at a period of significant difficulty. Not adhering to the 21-day convention is thought necessary and justifiable in this case.”



2. Standing Order 21.3(ii) – that it is of political or legal importance or gives rise to issues of public policy likely to be of interest to the Senedd

We note there has been no formal consultation on these Regulations, but we welcome the clarity of the explanatory material (including the Explanatory Note, the Explanatory Memorandum and the Regulatory Impact Assessment), which very helpfully sets out the background to these Regulations.

Providing explanatory material in a clear and helpful way helps the Committee carry out effective and efficient scrutiny.

Implications arising from exiting the European Union

None.

Government Response

A Welsh Government response is not required.

Committee Consideration

The Committee considered the instrument at its meeting on 6 July 2020 and reports to the Senedd in line with the reporting points above.

