



HOUSE OF LORDS

Select Committee on the Constitution

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Lord Grimstone of Boscobel
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
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7 February 2022

Dear Lord Grimstone,

Commercial Rent (Coronavirus) Bill

I write on behalf of the Constitution Committee about the Commercial Rent (Coronavirus) Bill.

The Bill is designed to deal with commercial rent arrears for businesses that were required to close their premises or business, in whole or in part, as a result of health regulations implemented in response to the coronavirus pandemic. It creates an arbitration process for commercial landlords and tenants who have not been able to reach an agreement on the payment of rent arrears.

Clause 19 provides the Secretary of State with a broad discretionary power to set limits on arbitration fees, which may vary depending on the amount of rent debt. The applicant is required to pay arbitration fees and each party is required to pay their own legal and other costs.

For the purposes of access to justice it is important that arbitration fees are set at a reasonable and affordable level so that the process is accessible to applicants, while ensuring the rates are sufficiently appealing to attract enough independent arbitrators for the process to operate effectively.

The Committee would be grateful for clarification on whether the Government intends to produce guidelines specifying that the Secretary of State will take these considerations into account when setting limits on arbitration fees.

Finally, we note that the Delegated Powers and Regulatory Reform Committee has raised concerns about the wide delegation of power arising from clause 27. We endorse their recommendation that clause 27(3), which contains a Henry VIII clause, be removed from the Bill.

Yours sincerely,

Baroness Drake
Chair of the Constitution Committee