

RECORD OF OFFICER DECISION

APPROVAL FOR THE APPLICATION OF A NEW RENT POLICY TO APPLY DURING THE INITIAL STAGES OF THE UK RESPONSE TO THE CORONA VIRUS

Decision made

To apply a new policy to allow a two-month rent holiday for tenants affected by the Corona Virus, as of March 25 2020.

Made by; Sam Fox, Director – Economic Development and Planning

Background

1. By power given to me pursuant to paragraph 1 of Part 3 Section D2 of Wiltshire Council's Constitution Scheme of Delegation to Officers (as last updated in February 2016) adopted by the Council at its meeting on 9th November 2010 or any subsequent successor constitution, I am authorised to make the above decision.

Reason for decision

2. The widespread effects of the Covid 19 virus mean that businesses occupying council's flexible working premises are experiencing cashflow difficulties. Requests to give rent free periods are being received daily and tenants are tendering their notice (easy-in, easy-out incubation workspace terms with 1-month notice e/w).
3. The total exposure of the Council in cashflow terms is estimated at £25,000 per month. If tenants give notice, the refund of deposit monies is estimated at £25,000.
4. The government is offering support to business which is being administered by the Council's Economic Development service.
5. Given this recognised pressure on business in the County it has been agreed to put in place an emergency policy to deal with the initial period of economic shock and population lockdown.
6. The policy is based on a single approach to helping TEN CENTRE tenants – to offer a two month rent holiday (April/May). The key points are
 - a. Two-month rent holiday
 - b. Retention of deposit monies
 - c. Furlough arrangement to 'mothball' offices over period
 - d. Aligns with Government policy re: landlord responsibility and block on evictions

7. I confirm that in making this decision I have considered the following in line with Wiltshire Council's Constitution: **(Please insert 'Yes' / 'No' / 'Not Applicable' and any other comments necessary to evidence the issue identified has been addressed)**

Key decision requirements	NA
Views of relevant cabinet member(s), committee chairman, area board(s)	Gold Meeting of 26 March considered this policy.
Consideration of the area boards and delegated decision checklist for officers on the issue of when and how to involve local councillors and area boards in decisions about local services	NA
Implication of any council policy, initiative, strategy or procedure	This is a new policy and ties in with the work to support local businesses by the Economic Regeneration team
Consultation in accordance with the council's consultation strategy	Relevant heads of service and directors have been consulted
Range of options available	Given the unprecedented circumstances this is considered to be the appropriate option at this time. Others are examined below.
Staffing, financial and legal implications	Finance and legal were fully consulted in the decision making process. The cost of two months rents for the five TEN centres is £50,006.
Risk assessment	This has been recorded on the corporate risk register.
Involvement of statutory officers and/or directors	Yes
Regional or national guidance from other bodies	Ties in with regional and national support for businesses in light of national impositions arising from Covid 19
The council's constitution	Yes
This contract is suitable for execution under the e-signature process.	N/A

Conflict of Interest

8. Not Applicable – none.

Other options considered

9. A rent deferral for 3 months was considered but this would not prevent the majority of tenant businesses electing to give notice.
10. Closure of the TEN Centres was considered, but Legal has advised the Council would be in derogation of the grant of lease and subject to damages unless we get written agreement from all the tenants of the property.
11. The only other option considered is to take no action which could result in increased impact on the business community and reputational damage for Wiltshire Council

Approved by:



Sam Fox, Director – Economic Development and Planning

Date: 26 March 2020