

RECORD OF OFFICER DECISION

APPROVAL FOR THE EXTENSION OF A NEW RENT POLICY TO APPLY DURING THE ONGOING UK RESPONSE TO THE CORONA VIRUS

Decision made

To apply a new policy to allow a one-month rent deferral (June 2020) for tenants affected by the Corona Virus, as of March 25 2020, to be recovered over the financial year 2020. This is a transitional measure, following a two-month rent holiday enacted for April & May 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. In response to widespread requests, and some tenancy resignations (easy-in, easy-out incubation workspace terms with 1-month notice e/w), a two-month rent free period was agreed to cover April and May 2020.
3. With Covid 19 restrictions ongoing, requests are now being received for additional rent support beyond May 2020. Tenant businesses are not registered rate payers, and as such have not been eligible to claim assistance through the Small Business Grant Fund. These businesses may become beneficiaries of the Top Up grant, but eligibility criteria have yet to be established.
4. The proposed rent deferral will bring The Enterprise Network support offer in line with the approach adopted across the Council's wider commercial estate (three- month rent deferral on request, April-June).
5. The exposure of the Council in cashflow terms is estimated at £25,000 per month, with the funds being recouped by the end of this financial year. The two-month rent holiday resulted in exposure of £50,000. If tenants give notice, the refund of deposit monies is estimated at £25,000.
6. The policy represents a transition from rent holiday to rent deferral in order to help TEN Centre tenants, by offering a one-month rent deferral (June) following a two-month rent holiday (April/May). The key points are:-
 - a. One-month deferment of rent
 - b. Rental income to be recovered over the financial year 2020
 - c. (Or the remaining term of the lease, if that is shorter.)
 - d. On equal instalments

- e. No interest charge for the deferred rent
- f. Retention of deposit monies
- g. Furlough arrangement to 'mothball' offices over period
- h. Aligns with Government policy re: landlord responsibility and block on evictions

7. The total exposure of the Council in cashflow terms is estimated at £25,000
8. 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	Yes
Views of relevant cabinet member(s), committee chairman, area board(s)	Yes
Consultation with cabinet member(s), the Leader and Scrutiny (for Executive decisions taken under Emergency Powers)	No
Consultation with local members (as appropriate)	No
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	Yes
Implication of any council policy, initiative, strategy or procedure	Yes
Consultation in accordance with requirements and expectations of consultation with the public	No
Range of options available	No
Staffing, financial and legal implications	Yes
Evidence of due regard having been given to the Public Sector Equality Duty.	Yes
Risk assessment	Yes
Involvement of statutory officers and/or directors	Yes
Regional or national guidance from other bodies	Yes
The council's constitution	Yes

Conflict of Interest

9. Not Applicable

Other options considered

10. An extension of the rent holiday for a further month was considered but when considered with the to-month holiday already granted, this would have a significant impact on Council finances.
11. A rent deferral for more than one-month was considered but this would not prevent the majority of tenant businesses electing to give notice. It would also be out of kilter with arrangements for the Council's wider commercial estate.
12. 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.
13. 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: 12 May 2020