

	<h2>CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT</h2>
<b>Title</b>	Rent Relief Policy
<b>Report of</b>	Deputy Chief Executive in consultation with Chairman of Housing and Growth Committee.
<b>Wards</b>	All wards
<b>Status</b>	Public
<b>Enclosures</b>	Appendix 1 –Rent Relief Policy
<b>Officer Contact Details</b>	<ul style="list-style-type: none"> <li>• Robert Braham, Head of Property Services and Valuation (CSG). <a href="mailto:Robert.braham@barnet.gov.uk">Robert.braham@barnet.gov.uk</a>; Ext 5561</li> <li>• Melanie Chiknagi, Head of Property and Asset Management <a href="mailto:Melanie.Chiknagi@barnet.gov.uk">Melanie.Chiknagi@barnet.gov.uk</a></li> </ul>

## Summary

As a result of the Coronavirus Pandemic many of the Council's tenants will face difficulties meeting their liabilities as tenants. These difficulties may be accentuated if the business has had to close, either due to lack of custom, shortage of workforce or due to enforced closure.

The Council has therefore devised a Rent Relief Policy. The Policy recommends a 3-month rental holiday/rent free period to be offered upon request, with a review on 1<sup>st</sup> June 2020. Each application will need to be treated on its own merits, but conducted in accordance with a standardised and responsive approach.

## Decisions

1. That the Councils Hardship Policy/Rent Relief Policy be approved, with a review on 1<sup>st</sup> June 2020

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 During the Coronavirus pandemic, the Council has taken several decisions to respond to the pandemic. To provide relief for the Council's commercial tenants facing financial hardship as a result of the coronavirus, a Hardship Policy has been devised. CMT agreed the proposed support to businesses via the policy on the 24<sup>th</sup> March 2020.
- 1.2 The Policy recommends a 3-month rental holiday/rent free period to be offered upon request, with a review on 1<sup>st</sup> June 2020. Each application will need to be treated on its own merits, but conducted in accordance with a standardised and responsive approach.
- 1.3 Each tenant will sign a standard template document confirming their understanding, that despite the rent holiday, they will remain responsible for the security, repair and maintenance of the property in accordance with the terms of the lease.
- 1.4 The Council will suspend any enforcement action on existing or newly arising rental debt until the situation returns to normal. This is consistent with the latest Government regulations, which places a moratorium on the forfeiture of commercial leases prior to 30<sup>th</sup> June.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The coronavirus pandemic has created a hiatus in commercial activity that has affected a wide range of businesses that include retail, leisure and industrial activities. The Council has determined that, to be consistent with Government policy, it would offer a rental holiday for three months to those tenants that are affected by the pandemic such that they are unable to operate their business.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 An alternative approach considered was to offer tenants a facility of deferring their rent and creating a repayment plan so that the rent for the March quarter be collected in instalments following the period of enforced closure of commercial businesses. The Council considered that the immediacy of the current situation warranted a complete relief of rent and other alternatives, such as deferring rent, may need to be considered in the future.
- 3.2 Discounting rent for a period was also considered and, again, was considered a remedy that could be reserved for a future point as the pandemic situation developed.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 The policy can effectively be enacted immediately.
- 4.2 CSG Property Services will set up a log of all tenant applications for rent relief.
- 4.3 A separate Chief Officer Decision will be used in each tenant application case to record the decisions.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

Exempt subject to paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended) because it contains information relating to the financial and business affairs of the Council.

### **5.2 Social Value**

5.2.1 The implications of significant numbers of small businesses in Barnet being forced to close due to the financial pressures created by the Coronavirus situation would have far reaching social as well as economic effects on the Borough. Many of the Council's non-residential tenants fall into the category of a small business.

### **5.3 Legal and Constitutional References•**

5.3.1 Article 7 of the Council's Constitution states the Housing and Growth Committee has responsibility for regeneration strategy, major regeneration schemes, asset management, employment strategy, business support and engagement.

5.3.2 At the Urgency Committee on the 27<sup>th</sup> April 2020 the Committee agreed to delegate authority to the Deputy Chief Executive in consultation with the Chairman of the Housing & Growth Committee any decisions within the remit of that Committee that need to be taken in response to the Coronavirus pandemic or other related matters. Any and all such decisions shall be reported back to Committee for post-decision scrutiny.

## 5.4 Risk Management

For each application, CSG property Services will prepare for the Council an assessment of the case as follows:

- An analysis will be produced that indicates the financial implications to the Council.
- An assessment will be made of whether the tenant's business is being forced to close by the COVID-19 pandemic or face a reduced turnover
- The current position on rent arrears will be drawn to the Council's attention.
- The existence of any pre-existing subsidies will also be drawn to the Council's attention.

A recommendation will then be made to the Council as to what it may wish to do in this situation.

A separate Chief Officer Decision will be used in each case to record the decisions.

## 5.5 Equalities and Diversity

5.6.1 This proposed policy is consistent with the Council's policies on equality and diversity, not favouring any particular sector of the community.

## 5.6 Corporate Parenting

5.1 N/A

## 5.2 Consultation and Engagement

5.2.1 All the Council's tenants have been made aware of the Council's policy in this regard.

## 5.9 BACKGROUND PAPERS

5.3 Hardship Policy, approved by the Council's CMT