

Committee(s)	Dated:
Department of Community and Children's Services – For Decision	6th November 2020
Subject: Department of Community and Children's Services Commercial Tenants and Covid 19 – Proposal for revision to Additional Support in the September Quarter	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	No
Report author: Paul Murtagh, Assistant Director Community & Children's Services Nicholas Welland, Principal Surveyor City Surveyor	For Decision

Summary

This report seeks approval to proposed amendments to the process and package of rental assistance to HRA commercial tenants approved at the last committee, given the worsening pandemic and its impacts on tenant trading conditions, including the recently imposed Government national lockdown from 2nd November.

Recommendation(s)

Members are asked to:

- a) Approve the deferment of the full quarter's rent (due from 29th September 2020 to 24th December 2020) for all HRA commercial tenants until 24th March 2021, payable thereafter in 12 equal monthly payments, excepting only those tenants that have already paid or wish to pay the September rent
- b) Deferment also of the 12 month repayment plan all HRA commercial tenants were due to pay from September 2020, for the full quarter's rent deferral from 25th March 2020 to 24th June 2020, until 24th March 2021, payable thereafter in 12 equal monthly payments, excepting only those tenants that have already paid or wish to pay this rent
- c) Note that the above offer to be 'automatic' and take effect immediately for all HRA commercial tenants, excepting only those tenants that have already paid or wish to pay the September rent.
- d) Note that the 'case by case analysis' whilst substantially in progress will be suspended for this quarter's rental assistance

Main Report

Background

- 1) Following DCCS committee approval on the 28th September 2020, members approved a case by case analysis of HRA tenants to assess the appropriate level of rental assistance to support businesses for the September quarter rental payments. Since the last committee, the worsening pandemic has impacted further on tenant trading conditions, including the Government imposed national lockdown from 2nd November. Given these changing circumstances, the Department of Community and Children's Services seeks approval to a revised support package to tenants to assist them in the coming months.
- 2) Previous rental assistance to HRA commercial tenants was fully detailed in the above committee report but briefly included the opportunity to pay rents monthly, the deferral of rent due between 25th March 2020 and 24th June 2020 and a rent free period for rent due between 25th June 2020 and 28th September 2020 for micro businesses and 'at risk' tenants.
- 3) The action to undertake case by case analysis was delegated to the City Surveyor's department and the Chamberlain, in consultation with DCCS colleagues. Following extensive tenant discussions, it is apparent that there is a mixed position in respect of the level of assistance sought by tenants, ranging from tenants who have already paid the quarter rent in full to those requesting a full quarter's rent free.
- 4) Following recommendations from the City Surveyor's department and the Chamberlain, the Department of Community and Children's Services now proposes the following offer to all tenants who require rental assistance: -
 - Deferment of the full quarter's rent (due from 29th September 2020 to 24th December 2020) for all HRA commercial tenants until 24th March 2021, payable thereafter in 12 equal monthly payments, excepting only those tenants that have already paid or wish to pay the September rent
 - Deferment also of the 12 month repayment plan all HRA commercial tenants were due to pay from September 2020, for the full quarter's rent deferral from 25th March 2020 to 24th June 2020, until 24th March 2021, payable thereafter in 12 equal monthly payments, excepting only those tenants that have already paid or wish to pay this rent
 - The above offer to be 'automatic' and take effect immediately for all HRA commercial tenants, excepting only those tenants that have already paid or wish to pay the September rent.
 - The requirement for HRA commercial tenants to provide any further financial information to support case by case analysis to be suspended for this quarter's rental assistance

- 5) Subject to member approval at the Department of Community and Children's Services committee due on 6th November, the above proposal will be implemented immediately, and tenants will receive a communication confirming the same from the City Surveyor's department.

Corporate and Strategic Implications

- 6) The proposals contained in this report meet the objectives of the City Corporation's Corporate Plan by supporting a thriving economy.

Department of Community and Children's Services (DCCS) Business Plan

- 7) The proposals contained in this report meet the objectives of the DCCS Business Plan in the following ways:
- Health and Wellbeing – people of all ages enjoy good mental and physical health and wellbeing.
 - Community – people of all ages feel part of, engaged with and, able to shape their community.
 - Potential – people of all ages are prepared to flourish in a rapidly changing world.
 - Independence, Involvement and Choice – people of all ages can live independently, play a role in their communities and exercise choice over their services.

Financial Implications

- 8) The amount of rent paid already for the September 2020 quarter's rent at the time of this report is approximately £107,173. The amount of rent to be deferred for the September 2020 quarter will be approximately £251,332.

Conclusion

- 9) This report provides a package of rental assistance to HRA commercial tenants to help tenants through the coming months, given the worsening pandemic and its impacts on tenant trading conditions, including the recently imposed Government national lockdown from 2nd November.

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