


**ARUN DISTRICT COUNCIL**  
**DECISION TAKEN UNDER OFFICER SCHEME OF DELEGATION**

*To be completed for decisions taken in accordance with Part 4, Officer Scheme of Delegation, Section 1, paragraph 5.2.*

<b>DATE DECISION TAKEN</b>	30 March 2020 and 9 April 2020
<b>SUBJECT</b>	Deferral of rent from qualifying business tenants
<b>DECISION TAKEN</b>	<p>To deferral income in line with my delegated authority in connection with the peacetime emergency of the Covid 19 pandemic.</p> <p>For SMEs* within the retail, leisure and hospitality sectors that rent premises from Arun District Council, we will offer a facility to defer the payments of rent due April, May and June. Acceptance of the offer would entail agreeing to a repayment plan of six payments at monthly intervals between October 2020 and March 2021.</p> <p>On 09 April a decision was taken to make available a second repayment plan option of seven payments at quarterly intervals with the first to be made in the July-Sep 2020 quarter, and the last to be made in the Jan-Mar 2022 quarter.</p> <p>* We are to use a definition of small and medium-sized enterprises, (SMEs) for this purpose are defined as enterprises which: have fewer than 250 employees, and have either, an annual turnover not exceeding EUR 40 million, or an annual balance-sheet total not exceeding EUR 27 million (reference COMMISSION REGULATION (EC) No 70/2001 (Annex I)).</p> <p>It does not extend to invoices sent in March. The scope of this decision does not extend to collection of service charges which will continue as normal.</p> <p>If all eligible businesses were to exercise the facility it would delay income of approx. 250k.</p> <p>There is a risk of businesses failing before they are able to make the repayments. The risk of businesses failing would also exist, and may be increased, if no rent deferral facility were made available.</p>
<b>REASON FOR THE DECISION</b>	Section 138(1) of the Local Government Act 1972 confirms that: "Where an emergency or disaster involving destruction or danger to life or property occurs or is imminent or there is reasonable ground for apprehending such an emergency or disaster, and a principle council are of the opinion that it is likely to affect the whole or part of

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	<p>their area or all or some of its inhabitants, the council may .... (a) incur such expenditure as they consider necessary in taking action themselves (either alone or jointly with any other person or body and either in their area or elsewhere in or outside the UK) which is calculated to avert, alleviate or eradicate in their area or among its inhabitants the effects or potential effects of the event; ....”</p> <p>I have exercised my delegated authority at Part 4, Section 2, paragraph 4.8 of the Officer Scheme of Delegation which confirms that I can incur this expenditure for meeting the purposes of the Local Government Act 1972, S.138 when it is in connection with peacetime emergencies and disasters.</p> <p>As my authority confirms, this action will be reported to the first subsequent meeting of Cabinet.</p>
<p><b>ALTERNATIVE OPTIONS CONSIDERED OR REJECTED</b></p>	<p>Not providing a deferral facility. This was considered more likely to cause businesses cashflow problems, but the government has also stated that landlords of businesses should not undertake evictions, which would undermine efforts to collect rent during this period.</p> <p>Different qualifying criteria were considered. The business sectors, and smaller businesses were considered to be at highest risk of failing as a result of the covid-19 measures taken by the government. Targeting the deferral facility was considered to strike the balance between providing support where it is most needed, without unnecessarily foregoing timely income from tenants in a better position to pay.</p>
<p><b>ANY CONFLICT OF INTEREST DECLARED BY ANY MEMBER OF THE COUNCIL</b>  <i>Only needed if the decision is under an express authorisation</i></p>	
<p><b>NAME OF THE DECISION TAKER</b></p>	<p>Karl Roberts, Director of Place</p>
<p><b>SIGNATURE</b></p>	

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