


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.

DATE DECISION TAKEN	11 January 2021
SUBJECT	Deferral of rent from qualifying business tenants
DECISION TAKEN	<p>To make available upon request a rent deferral scheme, 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 upon request make available a facility to defer the payments of rent invoiced during January, February and March 2021. Acceptance of the offer would entail agreeing to a repayment plan with repayments at quarterly intervals between July 2021 and March 2022.</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 or prior to December 2020. 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. £120K.</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>
REASON FOR THE DECISION	<p>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 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</p>

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	<p>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>ALTERNATIVE OPTIONS CONSIDERED OR REJECTED</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>Restricting assistance to commercial tenants to that which is consistent with exempt ICM decision reference ICM151/24092020. This would restrict access by commercial tenants to rent deferral.</p>
<p>ANY CONFLICT OF INTEREST DECLARED BY ANY MEMBER OF THE COUNCIL <i>Only needed if the decision is under an express authorisation</i></p>	<p>None</p>
<p>NAME OF THE DECISION TAKER</p>	<p>Nigel Lynn, Chief Executive</p>
<p>SIGNATURE</p>	
<p>Background Papers:</p>	

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