

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TO BE TAKEN BY:

Mr. Peter Oakford

**Deputy Leader and Cabinet Member for Finance,
Corporate and Traded Services**

DECISION NO:

20/00048

For Publication**Key decision: YES**

Whilst the report does not project an impact to the Property Estate budgets in excess of negative £1m, there remains a risk that the impact may climb above this level.

SUBJECT: COVID-19 – Treatment of Rental Payments to the Corporate Landlord Estate and Property Investment Fund

As Cabinet Member for Finance, Corporate and Traded Services, I agree to:

1. Adopt the COVID-19 Response to Rental Management Policy;
2. Delegate authority to the Director of Infrastructure to take such actions as are necessary to implement this decision, including but not limited to finalising the terms of and entering into contracts or other legal agreements; and
3. Delegate authority to the Director of Infrastructure, ongoing management and review of the Policy during the initial 6-month period.

Reason(s) for decision:

COVID-19 has had a considerable impact on businesses. Whilst the Government is offering a level of support, many tenants will still be impacted. Whilst arrangements may be contractual, responsible landlords are maintaining a spirit of partnership with their tenants and doing what they can to mitigate the extraordinary circumstances they find themselves in. The decision will:

1. Support tenants during their most critical time of vulnerability.
2. As a landlord, support Kent's economy and particularly SMEs against the considerable impact during this time.
3. Mitigate some of the impact KCC as landlord is likely to experience to its investment portfolios and ensure that voids and bad debt are minimised.
4. Ensure it has a ready to go solution to offer tenants with minimal resource deployment.
5. Many of the tenants provide community, social and policy benefit to the county and this policy will, together with support offered by Government, go some way to preserve these valued services.

Financial Implications:

The impact of the policy would be a change in the timing that income is received into the council, impacting on the council’s cashflow. The report also highlights the financial risk of several tenants not surviving the resulting economic turbulence and that some rental income may have to be foregone.

Reason for Urgency:

The decision is required urgently following the extension of lockdown period by Government to support businesses that may already be struggling and mitigate against some having to cease trading. If this policy is not timely then the effects and reasons for the decision will be lessened.

Member and other consultation:

No Cabinet Committee consultation prior to PROD publication possible due to urgency process. The following responses were received following PROD publication:

Rob Bird, Leader of the Liberal Democrat Group supports the proposed decision “which is both necessary and appropriate at the current time”.

Trudy Dean, Member for Malling Central supports this action “as proposed”.

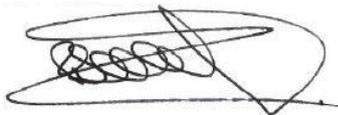
Any alternatives considered and rejected:

Providing no support – This may result in negative impact to KCC’s tenants and therefore the future income of the portfolio and bad debt.

Other options of relief – At this time and considering KCC’s fiduciary duty to the Kent taxpayer this is not required; the recommended policy is designed to facilitate an immediate response to KCC’s tenants’ cashflow. Cases of severe hardship can be considered under normal arrangements for rent payment management.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

None



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signed

04 May 2020

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date