

KENT COUNTY COUNCIL POLICY

PROPERTY INFRASTRUCTURE

Policy	COVID-19 Response to Rental Management
Description	<p>Kent County Council operate property portfolios from within its Estate from which rental income is derived.</p> <p>The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on 11 March 2020, and the UK Government’s necessary response to it has adversely impacted several the Council’s tenants. Whilst the Government has offered affected businesses comprehensive support, further mitigation may be required by the landlord in some instances.</p> <p>Kent County Council will continue with its existing process for rental management, but for a period operate under an additional arrangement as set out within this policy whereby it will offer its tenants up to 6 months’ rent deferment.</p>
Requirements of the Policy	<ol style="list-style-type: none"> i. The policy should set out KCC’s position as a landlord, which is even-handed and transparent. ii. Simple and effective as possible with easy roll-out. iii. Provide landlord support for tenants additional to the Government’s Business Support Package. iv. Protect the landlord from not having to expend resources pursuing arrears and bad debt and/or incurring other extra-ordinary property management costs as a result of the Covid19 impact on businesses. v. Not put its tenants in a better position than they would have been in otherwise at the expense of the taxpayer. vi. Observe the Council’s fiduciary duty. vii. Run for a period of up to 6 months which should include not only the national response impact, but recovery time for businesses to restart. viii. Keep policy under review and consider readjustment as circumstances evolve.
Impact	<p>To Kent County Council</p> <ul style="list-style-type: none"> • Predominantly cashflow where up to 6 months rental income could be deferred and then repaid within the following financial year. • Some risk that some tenants may not be able to pay-back the deferred amount although this would be managed through its normal income management processes. • Reduction in risk of void assets and the inevitable cost of managing them. • Support for Community, Social and Policy service supply (where tenants are operating in these areas). <p>To the Tenant</p> <ul style="list-style-type: none"> • Provide improvement to its cashflow position during a difficult time. • Provide support additional to the Government’s package to improve prospect of recovery.

EQIA	No negative Equalities Impacts in respect of this policy. Where this policy may ease impacts for Policy Return tenants (e.g. nurseries), there may be some positive impacts.
Policy Operating Principles	<p>Rental deferment requests will be considered on the following basis:</p> <ol style="list-style-type: none"> 1. To access, tenants must make a request to KCC by 24th June 2020. 2. Rent deferment will be for a maximum period of up to 6 months from 25th March 2020 (i.e. until 29th September 2020). The request can be backdated. 3. The amount of rent that can be deferred can be up to 100% of the tenant's periodic rental payments (although a tenant can request less). 4. The rent deferred will accrue without interest and be repaid by the tenant later, according to an agreed repayment schedule between KCC and the tenant. 5. Repayments will commence from 25th December 2020 for a maximum period ceasing by 25th March 2022. 6. Service charge payments are excluded from this policy and must be paid in full as usual where applicable. 7. The tenant must confirm that this arrangement will not place them into a more advantageous position to that which may have existed if these extra-ordinary circumstances did not exist. 8. The tenant must also confirm that it will be accessing all government business support that it can. 9. The following tenants will be excluded from this policy – Government departments, Public Sector, tenants that hold a tenancy in conjunction with a KCC service contract who will be dealt with on a case by case basis. 10. The policy should be kept under review during the period of the National Covid19 response and after as the country returns to normality 11. KCC can refuse to grant deferment support. 12. Where KCC is temporarily closing a multi-occupancy building and tenants will have no access, no rent will be charged during the period of closure.
Period of Operation	<ul style="list-style-type: none"> • Rent from 25th March 2020 until 28th September 2020 (6 months) can be requested for deferral. • Requests must be made before 24th June 2020. • Repayment periods must commence by 25th December 2020 for a period of up to 18 months (25th March 2022).
Review	Given the unknown future impact that COVID-19 might have on the economy, the policy and its management will be kept under review.
Policy Ownership	<p>Mr. Peter Oakford - Cabinet Member for Corporate and Democratic Services Rebecca Spore – Director of Infrastructure</p> <p>Contact: Mark Cheverton MRICS Infrastructure Property Policy & Strategy Manager 03000 415940 mark.cheverton@kent.gov.uk</p>