

## **19. Guildhall tenants rent**

At the meeting held on 24<sup>th</sup> March 2020 the Council resolved to adopt a model landlord approach and offer support through a rent payment holiday to tenants at the Guildhall suffering hardship in the current Covid-19 crisis. Rent payments for all tenants were suspended from 1<sup>st</sup> April until 30<sup>th</sup> June 2020. This excludes utility costs recovered by the council from tenants as these are based on usage.

The Council must now agree on the steps to be taken at the end of the current rent suspension period. The loss of rental income over the 3-month period from 1<sup>st</sup> March to 30<sup>th</sup> June 2020 is £6,501.00.

There does appear to be an effort to get the economy moving again, albeit slowly, with different sectors opening in phases and some tenants will be able sooner than others as lockdown restrictions are eased.

There are several options to consider, ranging from a continuation of the rent suspension for a further period to ceasing the rent suspension altogether from 1<sup>st</sup> July.

**Option 1** - Continue with the rent suspension for a further fixed period of 3-months for all tenants

**Option 2** - Continue with the rent suspension on a rolling monthly basis for all tenants and review each month

**Option 3** - Continue with the rent suspension on a case by case basis and review monthly in line with the latest Government guidance, while also considering transition arrangements back to full rent if individual circumstances warrant.

**Option 4:** - Move to a rent deferment i.e. tenants have option of deferring rent due from 1<sup>st</sup> July for a defined period e.g. 12-months.

**Option 5** - Cease the rent suspension and all rents due from 1<sup>st</sup> July

**RECOMMENDATION:** On balance option 3 may be the most appropriate next step whereby rent suspension is reviewed on a monthly basis, case by case, but also with the option of a transitional arrangement for returning to full rent , for example, 25% month 1; 50% month 2; 75% month 3; 100% thereafter as individual circumstances warrant from the business case submitted.