



*Neuadd y Sir / County Hall, Llandrindod, Powys, LD1 5LG*

## **QUESTIONS AT ANY TIME TO CABINET PORTFOLIO HOLDERS**

Response by the Portfolio Holder:

The Council has not offered rent holidays for its tenants during the coronavirus pandemic, although I am aware that other authorities in Wales have done so. To help inform this decision, officers contacted all of the Welsh Councils, and also Welsh Government to gain an understanding of how each of them were dealing with their commercial tenants.

Whilst the feedback from that exercise confirmed a number of Welsh Councils had chosen to give a rent holiday, analysis of the responses received indicated 8 Councils, including Welsh Government proposed a rental deferment package which required full repayment of any deferred rentals within the same financial year rather than a rent free period.

Powys County Council adopted this model and although advertised by the Council's communications team, no tenants have to date applied for that deferment. Up to three months' rental deferment rather than a rent holiday has been made available (which aligned with the initial time projections for lockdown to end June 2020) with repayment deferred until 31st March 2021.

Of the remaining Councils, five did not respond to our request for their approach, whilst the remainder had a variety of rent holidays offered, albeit with varying periods and restrictions (e.g. 1 month, 3 months, retail tenants only, small business, means tested). A full rent holiday would have meant that Powys County Council would have lost one quarter of its revenue income from its commercial estate. It was felt such a decision would also potentially be unequitable to private sector tenants whose landlords could not afford to grant them such favourable waivers of lease obligations.

I am informed only one tenant has contacted the Council with regard the impact of neighbouring local lockdowns, and Welsh Government stated on 28 September that it will offer grant support of up to £1,500 to each Retail, Leisure and Hospitality business affected by the local lockdowns. Obviously, as Powys is not part of any local lockdown restrictions, such grants are unavailable in our County and the extent to which our tenants are affected by these actions is unknown.

Additionally, the Coronavirus Act 2020 gives protection from eviction to all commercial tenants who are unable to meet their rental obligations due to Covid-19. The current protection – which has been extended from the original date of 30 June 2020 now runs until 31 December 2020 and may yet be further extended. The Act is clear, it does not provide a rental holiday; tenants who need and rely on this protection remain liable for all rents due under their individual leases. The Council may need to work out appropriate repayment plans with tenants who have struggled to meet their liabilities during the pandemic and these plans may now extend into the

next financial year. It is anticipated this work will (where necessary) be co-ordinated by the Debt Recovery Team.

Introducing rent holidays at this stage will not only impact on the Council's own budget plan, but will also create the unlevel playing field referred to earlier, where private tenants will be unable to gain the same benefits from their private sector landlords.

We will of course keep a close watch on this very important issue and review as necessarily should the need arise.