

### **Item 31 - Consideration of a Rent Deferment scheme for the Shops in Loughton Broadway**

In the absence of the Legal & Estates Portfolio Holder, the Deputy Leader presented a report concerning the consideration of a rent deferment scheme for the shops in Loughton Broadway. A motion of Council had been referred to the Cabinet to consider a rent deferment scheme for tenants of the shops at the Broadway in Loughton and to consider providing assistance to all of the Council's shops and commercial premises tenants during the recession.

The Deputy Leader felt that a deferment scheme was not the right solution for both the Council and its tenants. There was the potential risk for loss of income to the Council and that such a scheme would not necessarily alleviate the cash flow difficulties of tenants. It would only prolong the problem as the rent would have to be paid at some point in the future. The suggested scheme had a considerable cost attached to it and the option already existed for businesses to pay their rent on a monthly basis to assist with their cash flows.

The Performance Management Portfolio Holder agreed that the Council would be exposed if rent payments were deferred, and highlighted that a weekly payment option was also available for tenants. It was felt that it would be better to help tenants in this way, although it was accepted that each case should be judged on its merits.

The Housing Portfolio Holder was in favour of such a scheme and had supported the original motion at Council, whilst it was pointed out to the Cabinet by a ward member that the Housing Revenue Account was currently in a very healthy state and therefore the Council was in a position to help those traders in Loughton Broadway that had suffered during the Town Centre Enhancement scheme.

The Deputy Leader emphasised that the Estates section was doing everything possible to help businesses in Loughton Broadway, and that the Council would continue to listen and provide further assistance as it would be more difficult to fill empty units at the current time.

#### **Decision:**

(1) That no rent deferral scheme be undertaken at the current time for Council tenants in the shops at Loughton Broadway, due to the potential risk for loss of income to the Council and such a scheme would not necessarily be the best solution for tenants to alleviate cash flow difficulties; and

(2) That every possible help be extended to tenants of the Council's commercial and industrial properties by the Estates section during the current economic downturn, including the facility to make weekly or monthly rent payments.

#### **Reasons for Decision:**

To continue with the current procedures adopted within the Corporate Support Services (Estates Section) and Finance Directorates to monitor individual tenants who were having payment difficulties and to enter into staged payments to assist with any cash flow problems.

**Other Options Considered and Rejected:**

To assist all tenants to remain viable until trade improves where possible during the recession via a rent deferment scheme, however there was a potential loss of income to the Council from such a scheme and it would not necessarily be the best solution to alleviate the problems of tenants.