

# **Record of Cabinet decisions**

## **Monday, 4 May 2020**

**Date of publication: 4 May 2020**

### **Pentagon Centre Tenants and Other Commercial Tenants - Rent Deferral**

#### **Background:**

This report provided details a proposal to provide financial assistance in the form of rent deferral to tenants of the Pentagon Centre, Chatham and other commercial properties within the Council's property portfolio, to which the Leader's approval under urgency provisions was sought.

The report explained that requests had been made by tenants for relief from rent payments under lease arrangements and whilst the Government had instigated a number of fiscal measures to protect the economy through the Covid-19 pandemic, it had not specifically provided funding to the Council to deal with shortfalls in rental income. The report set out further that rather than forego rental income at the moment, officer advice was that an offer of a rent deferral should be made, to allow payment of rent due in the future, once the economic situation had improved. The rent deferral should be offered for no more than the first two quarters of the financial year 2020/2021.

The report noted that the urgency provisions were set out in the Constitution (paragraph 3.2 of Part 3 (Responsibility for Cabinet functions) of Chapter 3 (Responsibility for Functions) of the Constitution).

The Chairman of the Business Support Overview and Scrutiny Committee agreed that the taking of these decisions were urgent and could not be reasonably deferred until the next Cabinet meeting on 12 May 2020, in accordance with Section 11 (Cases of special urgency) of the Local Authorities (Executive Arrangements)(Meetings and Access to

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Information)(England) Regulations 2012 and Rule 17 (Special Urgency) of the Access to Information Rules (Part 2 of Chapter 4 in the Constitution).

Additionally and in line with rule 15.11 of Chapter 4, Part 5 of the Constitution, call-in could be waived where any delay likely to be caused by the call-in process would seriously prejudice the Council's or the Public's interests. The Chairman of the Business Support Overview and Scrutiny Committee agreed that the decisions proposed were reasonable in all the circumstances and to them being treated as a matter of urgency and to waive call-in.

The report noted that furthermore, it was proposed that the Chief Executive uses the urgency provisions as set out in paragraph 4.1 of the Employee Delegation Scheme (including consultation with the Leader of the Council and the Leader of the Labour Group) to agree the budgetary impact of the action recommended at section 6 of the report. The use of these urgency provisions would be reported to Full Council on 16 July 2020 for information.

***Decision number:***      ***Decision:***

- 52/2020**      **The Leader, using urgency powers, agreed to delegate authority to the Chief Legal Officer in consultation with the Leader and the Portfolio Holder for Resources to agree the delaying of current rent of Pentagon Centre tenants as and when requested on a case by case basis. This agreement should follow professional advice from the Centre Management Team.**
- 53/2020**      **The Leader, using urgency powers, agreed to delegate authority to the Chief Legal Officer, in consultation with the Leader and the Portfolio Holder for Resources to agree the delaying of current rent of other commercial properties within the Council's property portfolio, on a case by case basis, after receipt of details of reduced income and future trading viability.**
- 54/2020**      **The Leader agreed that decisions 52/2020 and 53/2020 are considered urgent and therefore should not be subject to call in.**

**Reasons:**

To provide support to tenants of Council owned commercial properties in response to the COVID-19 pandemic.

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**Leader of the Council**

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**Date**

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