



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Tim Farron MP  
House of Commons  
London  
SW1A 0AA

21 December 2020  
Your ref: TF122052

Dear Tim,

Thank you for your email of 3 December to John Glen MP enclosing correspondence from your constituent, Adrian Faulkner, Secretary of the Windermere and Bowness Chamber of Trade, who raised the concerns of a member of his Chamber on the issue of commercial rent. I am replying as the Minister responsible for this policy area.

The Government recognises the challenges that COVID-19 poses for commercial tenants and the Government has offered businesses an unprecedented package of support in the form of business rates holidays, the Job Retention Scheme, and business support grants.

On the more specific issue of commercial rent, we have been clear throughout the pandemic that we expect tenants, landlords and lenders to work together to find financial solutions that work for all parties. Since March, the Government has implemented a range of measures to support commercial property tenants. The objective of these measures has been to support all businesses through the impact of COVID-19, while also giving time and space to tenants and landlords to agree their own commercial arrangements— including terms for the payment of accumulated rent arrears. These measures include:

- Banning evictions for commercial tenants who cannot pay their rent due to COVID-19, meaning no business will be forced out of their premises;

- Suspending the use by landlords of statutory demands and winding-up petitions to pursue unpaid rent that has accrued during the pandemic;
- Extending the period of rent arrears required before landlords can use Commercial Rent Arrears Recovery (CRAR) to seize tenants' goods in lieu of unpaid rent;
- Publishing a voluntary Code of Practice to encourage constructive negotiations over rent, accrued arrears and on-going lease terms between tenants and landlords; and
- Working with the financial regulators to issue a joint statement encouraging investors and lenders to exercise forbearance in relation to the impact that the pandemic may have on loan covenants.

These measures were introduced early in the pandemic to provide assistance to businesses who were struggling to pay their rent. Last week, the Government announced that these protections would be extended to 31 March 2021.

Please pass on my thanks to Adrian Faulkner for taking the trouble to make us aware of his concerns and those of the members of his Chamber.

Yours sincerely,

A handwritten signature in black ink that reads "Kemi Badenoch". The signature is written in a cursive, flowing style.

**KEMI BADENOCH MP**