

Lettings & Rent Collection Policy

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Chris Clarke	Periodic update	May 2021

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1. Introduction

- 1.1. Poplar HARCA has a large commercial portfolio which consists of mainly retail premises but also contains some office and community type units. All premises have a commercial rent value that must be achieved in order to show value for money and to make best use of assets. The portfolio will be the responsibility of managing agents, currently Knight Frank and SFP our commercial agents. In relation to valuations, lettings, and rent/service charge collection, the management agent will follow the best practice guidelines as laid out by the RICS.

2. Commercial Valuations & Lettings

- 2.1. All commercial property valuations including rent reviews will be arranged by the agent and set according to market values. Valuations will be done by a suitably qualified surveyor registered with RICS.
- 2.2. Vacant commercial properties will be promoted by the agent who will put together a shortlist of potential occupiers. The successful applicant will be selected by a panel of officers from Poplar HARCA.
- 2.3. The successful applicant may not be the highest bidder, the panel will consider best fit for the area taking into account existing local traders and businesses and consider sustainability in a wider context using the principals of good estate management.

3. Specific criteria for on who we let each unit if we don't go for best financial offer

- 3.1. Standard lets are subject to a number of criteria, we pay particular attention to whether a business is considered to contribute to a healthy High St. we will actively discourage those that are considered as unhealthy, these include Bookmakers, pawn shops, pay day lenders and some take away food outlets.

The considered criteria are:

- Is the proposed business duplicating existing retail
- Are other businesses in the immediate vicinity going to be adversely affected ☒ Will the proposed business enhance the area in which they are situated
- Is the proposed business likely to have an adverse effect in close proximity to residential properties
- Can the proposed business help increase local employment
- Is the proposed business sustainable e.g. supported by a credible business plan
- Can the proposed business offer any community benefit

- 3.2. **Who is responsible for what decisions?**

Initial marketing and vetting done by Poplar HARCA's agent, SFP Ltd

Viable proposals are presented to the Project Director responsible for PH's retail portfolio, the Places and Services Coordinator and the Head of Partnerships (ACCENTS). This panel will decide which proposal offers the best fit within a particular area based on the above criteria. In exceptional circumstances a decision will be referred to CMT.

Hard to let, classed as such if few or no proposals are received for commercial lets

These properties will be offered to the ACCENTS Team who will promote properties to social enterprises, community groups, start-up businesses or other organisations who can offer services to residents in lieu of rent. They are expected to deliver services, at least to the value of a commercial rent, to local residents

4. Rent & Service Charge Collection

- 4.1. Rent & Service Charge levels are set out in each tenant's lease. Collection will be the responsibility of the managing agent and will be collected in accordance to the terms of the lease.
- 4.2. In exceptional circumstances, Poplar HARCA may consider a temporary variation of the lease terms. Any application to vary terms must in the first instance be made in writing to the managing agent and accompanied by supporting documentation including three years audited business accounts.
- 4.3. Empty units still attract business rates and therefore carry a financial liability to Poplar HARCA.
- 4.4. Poplar Harca will monitor the performance of its managing agents with regard to rent and service charge collection and the managing agents will follow best practice as outlined by the RICS.

5. Community Use of Commercial Properties

- 5.1. Some commercial units are considered difficult to let, particularly on estate retail parades. Empty units still attract business rates and therefore carry a financial liability to Poplar HARCA. These units may be considered for use by local community groups.
- 5.2. The commercial valuation on these units may be met by other than financial means. Groups operating from such a unit must demonstrate a social capital value financially equivalent to the rent valuation that enhances the lives of Poplar residents.
- 5.3. The social capital value of any service will be measured by the ACCENTS team.
- 5.4. Units taken by community groups will be removed from the commercial portfolio and managed by ACCENTS.

5.5. All such units will be let on a short term lease that will not be subject to section 2428 of the Landlord and Tenant Act 1954.

5.6. Such arrangements will be reviewed on an annual basis.

5.7. All costs will be borne by the ingoing tenant

6. Specific PI's and where these are reported

6.1. The relevant Performance Indicators' for Commercial property are:

- Number 32 & 33, Commercial Property Rent arrears
- Number 34, Commercial property Service Charge arrears
- Number 35, Average void days
- These PI's are reported through the quarterly performance report that presented to middle management and CMT at regular intervals

7. Policy review

7.1. Policies are reviewed every three years or sooner if they no longer reflect best practice.

8. Appendix 1: Impact assessment

<p>How does the policy/procedure/strategy contribute to Poplar HARCA's aims?</p>	<p>Our aim is to ensure that all our commercial units are used in an appropriate way for the area that they serve and to create activity on shop parades. Active shop parades are more attractive than shuttered parades, through activity they create safer streets. Local business provides opportunities for local employment and increase resident choice. Empty, shuttered units attract business rates and look unsightly. Providing meanwhile uses to start-up businesses or community groups in hard to let properties makes better use of resources.</p>
<p>Which group(s) of people benefit from the policy/procedure/strategy? If any group could be disadvantaged, what is the mitigation or justification?</p>	
<p>How have residents been involved in developing the policy/procedure/strategy? If they have not been involved, why not?</p>	<p>This is a part of our commercial lettings strategy where we have to show best use of our commercial assets, therefore residents have not been involved but will be notified if it is deemed good practice by CMT</p>
<p>How will the policy/procedure/strategy be monitored and measured? (e.g. performance indicators?)</p>	<p>PI numbers 32-35</p>
<p>If any, what are the Value for Money implications?</p>	<p>By using hard to let properties for meanwhile uses or community groups we absolve PH from a business rate liability as well as a saving in vandalism on empty units. We compare our commercial voids with the national average.</p>
<p>Will personal data be collected, stored, used or shared? If yes, a privacy impact assessment must be carried out.</p>	