

COUNCILLOR QUESTIONS TO CABINET – 24 NOVEMBER 2022

Question 1

From: Councillor Shaw, Bromyard Bringsty ward

To: Cabinet Member, commissioning, procurement and assets

Can the Cabinet member responsible confirm the amount of arrears currently owed to the Council for rent and service charges for current and previous tenants of the Maylord Shopping Centre?

Response

Thank you Cllr Shaw for your question. As you are aware Hoople now manage the operation on behalf of the Council. A large proportion of the debt that accrued during the Covid pandemic was prior to Hoople's management period and as such we have separated out these figures. During the Covid period new legislation was introduced by the Government that limited the council's ability to enforce financial liabilities, including rent and service charges. We now have the power to enforce these arrears and have been successful in reaching settlement with most tenants. The remaining amount of historic/covid debt mainly falls to only three tenants as We are focussing our efforts on these three companies and would be happy to provide an update once they are concluded. The information we have from Hoople Ltd who manage the centre is as follows:

Rent Debt = £35,392.29

Service Charge Debt = £56,404.91

Covid/Historic Debt = £197,415.97

Total = £289,213.17

Supplementary question

The Council has made, and plans to make, significant investments in the infrastructure of the centre and yet three years on we have yet to see the business plan for the return on the initial investment. With such a lamentable level of increasing debt, now more than double that in 2020 and adding to the Council's perilous revenue position, would the Cabinet member not agree that the Council is ill suited as an operator of a retail shopping centre, and that any new administration would be advised to get it onto the market as one of its earliest priorities next year?

Response

The cabinet member responded that the level of debt was not increasing. Since the transfer of the management of the centre to Hoople, rent debt had been reduced. The centre was purchased as it presented an opportunity for development of this city centre site, which now included plans for a new library and adult community Hub alongside retail and charitable premises. Events hosted at the centre increased footfall in the city centre and brought life back to this part of the city. The cabinet member encouraged the next administration to continue to manage the asset locally.