

**An Arbitration Award**  
**Under The Commercial Rent (Coronavirus) Act 2022**

**BETWEEN**

[REDACTED]  
**(As Applicant)**

**AND**

[REDACTED]  
[REDACTED]  
**(As Respondent)**

**Concerning**

[REDACTED]  
**Published on 15 May 2023**

**by**

**D J Gilbert BSc Dip Arb FRICS MCI Arb RICS Accredited Mediator**

**In the Matter of an arbitration under the Commercial Rent (Coronavirus) Act 2022 between [REDACTED] as Applicant and [REDACTED], as Respondent, in connection with premises known as [REDACTED].**

**BACKGROUND**

1. The Applicant, [REDACTED] are the tenants of retail premises at [REDACTED].
2. The Respondent is the landlord. Following the determination of the Preliminary Issue (see paragraph 8 below) the Respondent was agreed to be [REDACTED], not [REDACTED].
3. The property was demised by way of a 10 year lease from 8 August 2011, at an initial rent of £35,000 per annum, subsequently reviewed to £40,500 per annum, with effect from 8 August 2016.
4. The Applicant paid the rent due under the Lease until 2 March 2020, but thereafter fell into rent arrears, due to the effect on its business of the coronavirus pandemic.
5. The Applicant is represented by [REDACTED] and the Respondent is represented by [REDACTED] – the managing agents).
6. The Applicant submitted an application for the appointment of an Arbitrator under the Commercial Rent (Coronavirus) Act 2022 (“the Act”) to the RICS, and I was duly appointed in that capacity on 2 December 2022.
7. A Teams meeting took place on 13 December 2022, following which I issued my Order No 1, on 14 December 2022, confirming the following:
  - **The dates by which submissions on the Preliminary Issue were to be received** - There was a preliminary issue, concerning the identity of the parties to the Application, which needed to be decided before proceeding with the arbitration.
  - **The date by which the Respondent’s Response was to be sent to me** - Mr Melling was to email me a pdf copy of the Respondent’s Response.
  - **Agreed Matters (common ground)** - The following matters are agreed:
    1. The Applicant occupies the premises for the purposes of a tailoring/alterations & dry cleaning business.
    2. The lease by which the premises are occupied creates a business tenancy sufficient to satisfy the requirements of the Act.
    3. The Applicant has complied with all of the timings to satisfy the requirements of the Act.
    4. The parties have agreed that the protected rent debt period is 374 days (from 21 March 2020 to 29 March 2021).
    5. The rent and service charge payable during the protected rent debt period was £40,500 per annum (plus vat) and £1,073.07 per annum (plus vat) respectively.

- **Matters in Dispute** – to be determined once the preliminary issue had been decided, the following matters are in dispute and fall to me to determine.
  1. Whether the Applicant has met the criteria - for the matter of relief from payment of protected rent debts due from the tenant to the landlord under a business tenancy to be resolved by arbitration;
  2. The total of the outstanding amount of protected rent debt; and
  3. The appropriate relief that the Applicant is to be granted.
- **The dates by which amendments to the current proposals and the other information listed below was to be sent to me** - once the preliminary issue had been decided, further Directions would be made, confirming the dates by which the following were to be actioned.
  1. The parties are to submit any amendments to their current proposals.
  2. The Applicant is to provide details of any grants or other assistance it has received.
  3. The Applicant is to provide copies of the company accounts for the years ending August 2019, 2020, 2021 and 2022 (if available).
  4. The Respondent is to provide details, if any, of any rental concessions it had granted the tenants of other properties it also owns.

8. On 16 February 2023, I issued my Order No 2, confirming that the following was agreed:

- **Agreed Matters (common ground)**
  1. the preliminary issue - the name of the Respondent Landlord in the notice of intention to arbitrate, the reference to Arbitration and all subsequent correspondence relating to the arbitration is to be amended from [REDACTED] to [REDACTED];
  2. status of the arbitration - as the preliminary issue has been decided, the arbitration was to now proceed;
  3. the Applicant occupies the premises for the purposes of a tailoring/alterations & dry cleaning business;
  4. the Lease creates a business tenancy sufficient to satisfy the requirements of the Act;
  5. the Applicant has complied with all of the timings to satisfy the requirements of the Act;
  6. the protected rent debt period is for the 374 day period from 21 March 2020 to 29 March 2021; and
  7. the rent and service charge payable during the protected rent debt period was £40,500 per annum (plus vat) and £1,073.07 per annum (plus vat) respectively.
- **Matters in Dispute** - The remaining matters are in dispute and fall to me to determine
  1. the total of the outstanding amount of protected rent debt.
  2. the appropriate relief that the Applicant is to be granted.
- **The dates by which the following was to be sent to me.**
  1. any amendments the parties wished to make to their current proposals.
  2. details of any grants or other assistance the Applicant has received in connection with the coronavirus epidemic.
  3. copies of the Applicant's company accounts for the years ending August 2019, 2020, 2021 and 2022 (if available).

4. details, if any, of any rental concessions in connection with the coronavirus epidemic that the Respondent has granted to tenants of other properties it also owns.
9. I have received the following documents from the parties' representatives.
  1. Form DRS CRAA1 - Notice of intention to arbitrate.
  2. Form DRS CRAA3 – Reference to Arbitration with a Formal Proposal and supporting evidence in relation to the arbitration procedure selected.
  3. a Formal Proposal in response from the Respondent, including attached documentation and a Witness Statement of Mr [REDACTED].
  4. a copy of the Lease relating to the premises dated 8 August 2011
  5. details of grants and other assistance the Applicant received in connection with the coronavirus epidemic.
  6. copies of filed accounts of [REDACTED] for the years ended 31 August 2019, 2020 and 2021 and Management accounts of [REDACTED] for the year ended 31 August 2022.
  7. details of rental concessions that the Respondent has granted the tenants of other properties it also owns, in connection with the coronavirus epidemic.
10. I confirm that I have exchanged copies of all the above documents with the parties' representatives.

I advised that I would proceed with making my award, as the parties subsequently confirmed that they had no further comments to make.

#### **LEGAL FRAMEWORK**

11. Section 1(1) of the Act enables the matter of relief from payment of protected rent debts due from the tenant to the landlord under a business tenancy to be resolved by arbitration (if not resolved by agreement).
12. Section 3(1) of the Act provides that a “protected rent debt” is a debt under a business tenancy consisting of unpaid protected rent.  
  
Section 3(2) of the Act provides that rent due under the tenancy is “protected rent” if —
  - (a) the tenancy was adversely affected by coronavirus; and
  - (b) the rent is attributable to a period of occupation by the tenant for, or for a period within, the protected period applying to the tenancy.
13. Section 4(1) of the Act provides that a business tenancy was “adversely affected by coronavirus” for the purposes of:
  - Section 3(2)(a) if, for any relevant period
    - the whole or part of the business carried on by the tenant at or from the premises comprised in the tenancy, or
    - the whole or part of those premiseswas of a description subject to a closure requirement.  
Section 4(2) of the Act provides that for this purpose -
  - (a) “closure requirement” means a requirement imposed by coronavirus regulations - an obligation
    - (i) to close businesses, or parts of businesses, of a specified description, or
    - (ii) to close businesses, or parts of businesses, of a specified description, and

- (b) "relevant period" means a period beginning at or after 2 p.m. on 21 March 2020 and ending at or before 11.55 p.m. for English business tenancies on 18 July 2021.
14. Section 13 of the Act sets out the issues that the Arbitrator is to determine, make an assessment on and resolve, the order in which they need to be decided and the awards open for the arbitrator to make i.e.
1. Is the tenancy a business tenancy? (Section 13(2)(b) of the Act)
  2. Is there a protected rent debt as defined by the Act? (Section 13(2)(c) of the Act)
  3. Is the tenant's business viable, or would it be viable if rent relief were given? (Section 13(3) and 13(4) of the Act)
  4. If the tenant's business is viable, should the tenant be given relief and, if so, what form should it take? (Section 13(5) of the Act)
15. I am required to consider the formal proposals set out by both parties' representatives individually and decide which of them is more consistent with the principles set out in Section 15 of the Act. These principles are:-
1. The proposals should preserve or restore the viability of the tenant's business whilst safeguarding the landlord's solvency; and
  2. The tenant should be required to pay as much of the rent debt with as little delay as these principles allow.
16. Section 16 of the Act sets out the issues I need to consider in dealing with the third question raised in Section 13, set out in paragraph 14 above i.e.
- Section 16(1) of the Act provides that in assessing the viability of the business of the tenant, I must, as far as known, have regard to:-
- a) the assets and liabilities of the tenant, including any other tenancies to which the tenant is a party,
  - b) the previous rental payments made under the business tenancy from the tenant to the landlord,
  - c) the impact of coronavirus on the business of the tenant, and
  - d) any other information relating to the financial position of the tenant that the arbitrator considers appropriate.
- Section 16(2) of the Act provides that in assessing the solvency of the landlord I must, as far as known, have regard to:-
- a) the assets and liabilities of the landlord, including any other tenancies to which the landlord is a party, and
  - b) any other information relating to the financial position of the landlord that the arbitrator considers appropriate.

#### **MATTERS TO BE DETERMINED, ASSESSED AND RESOLVED**

17. Section 13 of the Act sets out the issues that the Arbitrator is to determine, make an assessment on and resolve, the order in which they need to be decided and the awards open for the arbitrator to make i.e.
1. Is the tenancy a business tenancy? (Section 13(2)(b) of the Act)
  2. Is there a protected rent debt as defined by the Act? (Section 13(2)(c) of the Act)
  3. Is the tenant's business viable, or would it be viable if rent relief were given? (Section 13(3) and 13(4) of the Act)
  4. If the tenant's business is viable, should the tenant be given relief and, if so, what form should it take? (Section 13(5) of the Act)

18. I will now consider each of the above issues in turn.

**IS THE TENANCY BY WHICH THE PREMISES ARE OCCUPIED A BUSINESS TENANCY?**

19. The parties have agreed, as confirmed in both Orders Nos 1 and 2, that:
1. the Applicant occupies the premises for the purposes of a tailoring/alterations & dry cleaning business and;
  2. the Lease creates a business tenancy sufficient to satisfy the requirements of the Act.

20. **Findings** - I therefore, **FIND** that the Lease relating to the premises dated 8 August 2011 creates a business tenancy sufficient to satisfy the requirements of the Act.

**IS THERE A PROTECTED RENT DEBT AS DEFINED BY THE ACT?**

21. **Common Ground**

The parties have agreed, as confirmed in both Orders Nos 1 and 2, that:

1. the Applicant occupies the premises for the purposes of a tailoring/alterations & dry cleaning business;
2. the protected rent debt period is for the 374 day period from 21 March 2020 to 29 March 2021; and
3. the rent and service charge payable during the protected rent debt period was £40,500 per annum (plus vat) and £1,073.07 per annum (plus vat) respectively.

22. **Issue to be determined, assessed and resolved**

The total outstanding amount of protected rent debt.

It should be noted that all figures relating to the protected and unprotected rent debt are inclusive of vat, unless otherwise stated.

23. **The Submissions of The Parties**

24. **The Applicant** (tenant) advises that although it was not mandated to close by the Government, it is eligible for Arbitration under the Act, as during the pandemic, its business suffered significant financial losses due to:-

1. Forced closure for several months at the start of the pandemic and a very slow return to business following that.
2. A radical reduction of footfall in their industry which is still felt even now.
3. Hybrid working and working from home.
4. Reduced international travel and less social events.
5. Increased variable costs, such as utilities (gas, electric and water) which are central to their business and sundry costs, some of which have increased by over 100%.
6. Inflation (which has now exceeded 10%) and the costs of living crisis which has affected the spending levels its clients.
7. An extremely high and costly Coronavirus Business Interruption Loan was taken out, which is being repaid over a relatively short period of time.
8. The premises are occupied for the purposes connected with a laundrette/dry cleaners/tailoring or repair of clothes.
9. At the Premises, tailoring accounts for 51.1% of sales, with approximately 40-45% of the floor area dedicated to tailoring activities. The remaining floor space is made up of a counter, cleaning clothes rail, staff common area, amenities and a customer area.

10. The Health Protection (Coronavirus, Restrictions) (England) Regulations 2020, the Regulations – Regulation 5 of the Regulations states that (1) A person responsible for carrying on a business, not listed in Part 3 of Schedule 2 of offering goods for sale or for hire in a shop, or providing library services must, during the emergency period, cease to carry on that business.
  11. Regulation 18 of the Regulations stated that businesses not listed in Part 3 of the Schedule offering goods for sale or hire in a shop were required to cease carrying on that business.
  12. The business of tailors was not listed in Part 3 of the Schedule and therefore the Regulations prohibited the Applicant from carrying out all tailoring services at the Premises.
  13. On 20 December 2020, London was moved into Tier 4 by the Health Protection (Coronavirus, Restrictions) (All Tiers and Obligations of Undertakings) (England) (Amendment) Regulations 2020. This provided that tailors were required to close (these regulations remained in force until 28 March 2021).
  14. The Applicant's 'tailoring' element of their offering at the premises was therefore subject to a 'closure requirement' for the periods 26 March 2020 to 14 June 2020 and then 20 December 2020 to 28 March 2021.
25. **The Respondent (landlord)** advises that the tenancy was not adversely affected by coronavirus as:-
1. Its core business at the premises (dry cleaning) was not subject to any closure requirement.
  2. The business remained open for much of the lockdown periods.
  3. The Applicant's last accounts filed at Companies House for the year to 29 August 2021 show a strong balance sheet.
  4. There is no evidence that the Applicant's payment of the protected arrears, in full and without delay, would prejudice the viability of its business.

26. **Findings**

The Applicant's business was subject to a "closure requirement" as:

- tailoring accounts for 51.1% of sales, with approximately 40-45% of the floor area dedicated to tailoring activities at the premises;
- Regulations prohibited the Applicant from carrying out all tailoring services at the Premises; and
- tailors were required to close whilst the Regulations remained in force.

Rent due under the tenancy is "protected rent" as:

- (a) the tenancy was adversely affected by coronavirus; and
- (b) the rent is attributable to a period of occupation by the tenant for, or for a period within, the protected period applying to the tenancy.

Reference to the Applicant's company accounts for the years ending 31 August 2018 to 31 August 2021 showed a declining Turnover, most notably in the two years affected by the coronavirus pandemic:

Year Ending	Turnover	Gross Profit/(Loss)
31 August 2018	£7,383,283	£791,401
31 August 2019	£7,202,964	£622,993
31 August 2020	£4,660,746	£84,676/(£464,777)*
31 August 2021	£3,111,697	(£714,880)



\* The Income Statement for the Year ended 31 August 2021 incorporates an adjusted Gross Loss figure for the 2020 figures.

The parties have confirmed that the agreed protected rent debt period is for the 374 day period from 21 March 2020 to 29 March 2021.

27. I therefore, **FIND** that there is a protected rent debt, for the agreed protected rent debt period, as:
1. the tenancy was adversely affected by coronavirus;
  2. the rent is attributable to a period of occupation by the tenant for, or for a period within, the protected period applying to the tenancy.

**IS THE TENANT'S BUSINESS VIABLE, OR WOULD IT BE VIABLE IF RENT RELIEF WERE GIVEN OF THE ACT?**

28. **Findings** - The Applicant has provided financial information to show that they remain a viable business, this is not contested by the Respondent.
29. I therefore, **FIND** that the Applicant's business is viable, as defined by the Act (Section 13(4)(c) of the Act).
30. Having found that:
1. there is a protected rent debt; and
  2. the Applicant's business is viable.
- I can now, in accordance with Section 13(5) of the Act, look to resolve the matter of relief from payment of a protected rent debt by:
- (a) considering whether the tenant should receive any relief from payment and, if so, what relief, and
  - (b) making an award in accordance with section 14.
31. I now consider whether the Applicant should be given relief, and if so, what form this should take.

**SHOULD THE APPLICANT RECEIVE ANY RELIEF FROM PAYMENT AND, IF SO, WHAT FORM SHOULD THE RELIEF TAKE**

32. **Issue to be determined, assessed and resolved**  
The total outstanding amount of protected rent debt and the appropriate relief, if any, in accordance with Section 14 of the Act, duly applying the principles in Section 15 of the Act.
33. **The Submissions of The Parties**
34. **The Applicant** (tenant), in addition to the points raised in paragraph 24 above:
1. made the point that from the government's revised Commercial rent code of practice to assist discussions between business tenants and landlords relating to rental payments during the COVID-19 pandemic, it was also clear that both parties should bear the pain;
  2. confirmed that it had previously provided the Respondent with filed accounts and cash flow projections;
  3. provided copies of filed accounts of [REDACTED] for the years ended 31 August 2019, 2020 and 2021 and Management accounts of [REDACTED] for the year ended 31 August 2022;
  4. confirmed that the total government assistance received for all shops for the period from 1



September 2018 to 31 August 2022 was:

- Furlough income through the Coronavirus Job Retention Scheme - £1,227,249
  - Government grants - £899,278
5. provided a furlough report for the Branch manager and Tailor for the period 1 April 2020 to 30 September 2021;
  6. confirmed that it had 100% rates exemption for the period from 1 April 2020 to 31 March 2021 and from 1 April 2021 to 30 June 2021;
  7. confirmed that it received 66% business rate relief for the period from 1 July 2021 to 31 March 2022;
  8. highlighted that its neighbour (number 55) was given 50% protected rent concession, with a time to pay plan of their unprotected rent;
  9. made the point that, despite receiving the above assistance, it was still forced to take out a large Coronavirus Business Interruption Loan, currently serviced to the tune of £180,000 per year plus variable interest; and
  10. purported that the Respondents have received financial assistance from the Local Authority which will have mitigated their losses.
35. **The Respondent** (landlord), in addition to the points raised in paragraph 25 above:
1. made the point that the last accounts filed at Companies House for the Applicant relate to the year to 29 August 2021.
  2. highlighted that the balance sheet shows substantial (if reduced) net current assets and net assets.
  3. contended that the above demonstrates that payment of the protected rent debt in full would not prejudice the Applicant's business viability.
  4. contended that the respondent's dealings with other tenants does not fall within the "Arbitrator's principles" as per section 15 of the 2022 Act.
  5. provided details of rental concessions it had granted the tenants of other properties it also owns, in connection with the coronavirus epidemic.
  6. stated that it had no standard approach to rent concessions in the covid period. Their starting position, in line with legal authorities, was that the pandemic was the tenants' risk under the terms of their leases and that rent had to be paid on time (just as the Respondent's secured lenders expected their repayments on time). However, the Respondents were willing in due course to consider the circumstances of each tenant and each unit. In particular, the Respondents took account of available information as to the viability and resources of each tenant, as well as the extent to which each unit had to close during the covid period.
  7. provided details of the eventual agreements with occupiers in the subject block, similarly affected by the Regulations, which varied with:
    - the tenant of [REDACTED] being granted relief from payment of 50% of the protected rent debt of £21,989, the ability to pay 50% of the balance (plus £17,384.82 of further unprotected rent debt) in 38 monthly instalments each of £750, the ability to pay the following year's rent monthly rather than quarterly and the Respondent's arrears costs and interest being waived.
    - the tenant of [REDACTED] received no relief from payment of rent but was granted the ability to pay rent monthly, rather than quarterly.
36. **The Applicant** (tenant) is of the view that the protected rent debt is £50,096.45 made up of rent of £48,333.70, service charge of £1,287.68 and insurance of £475.07.
37. The Applicant has proposed that:

1. the Respondent waives protected rent of £37,572.34 (75% of the protected rent debt);
  2. the Applicant pays protected rent of £12,524.11 (25% of the protected rent debt);
  3. the Applicant pays protected rent of £2,524.11, as it made a payment on account on 9 December 2020 of £10,000, and
  4. the Applicant pays the protected rent debt of £2,524.11 over a 24 month period.
38. **The Respondent** (landlord) is of the view that the Applicant's protected rent debt is £41,045.32, based on:  
£51,202.32, reflecting:
- the protected rent debt period agreed of 374 days.
  - the annual total rent and service charge of £49,887.68 – made up of rent of £40,500 per annum (plus vat) and service charge of £1,073.07 per annum (plus vat);
  - a daily of amount £136.68 per day; and
  - £84.00 for the gully clearance charge
- Less £10,157.00, based on:
- £1,437.10, being the apportionment of the March rent payment made by the Applicant on 2 March 2020 (£4,050) in relation to the 11 day period from 21 March to 31 March.
  - £8,705.79, being the balance of £10,000 paid on 9 December 2020 after allocation first to the £1,294.21 pre-pandemic (unprotected rent debt) arrears balance.
  - £14.11, being the apportioned service charge paid as part of the said £1,294.21, for the protected rent period from 21 to 24 March 2020.
39. The Respondent has proposed that:
1. the Respondent waives protected rent debt of £12,150 (equivalent to 3 months' rent);
  2. the Respondent waives all interest;
  3. the Applicant pays protected rent debt of £28,895.32; and
  4. the Applicant should pay the protected rent debt of £28,895.32 without delay.
40. **Findings**
- The parties have agreed that
    - the protected rent debt period is for the 374 day period from 21 March 2020 to 29 March 2021; and
    - the rent and service charge payable during the protected rent debt period was £40,500 per annum (plus vat) and £1,073.07 per annum (plus vat) respectively.
  - In accordance with Section 2 of the Act, rent, in relation to a business tenancy, consists of:
    - (a) an amount payable by the tenant to the landlord under the tenancy for possession and use of the premises comprised in the tenancy (whether described as rent or otherwise)
    - (b) an amount payable by the tenant to the landlord under the tenancy as a service charge and
    - (c) interest on an unpaid amount within (a) or (b).
  - An amount of £475.07 per annum is attributable to insurance and £84.00 is attributable to the gully clearance charge and that these items should be treated as rent, as Section 2(2)(c)(i) of the Act states that service charge means an amount which is payable (directly or indirectly) for services, repairs, maintenance, improvements, insurance costs or the landlord's management costs.
  - Rent payable, in accordance with Section 2 of the Act, during the protected rent debt

period was rent of £48,600 per annum, service charge of £1,287.68 per annum and insurance of £475.07 per annum respectively, to produce an amount of £50,362.75 per annum and a daily rate of £137.98;

- The Applicant's payment of £4,050 on 2 March 2020 (for rent from 1 March to 31 March) incorporates £1,437.10 relative to the protected rent debt period (from 21 March 2020 to 31 March 2020). Therefore, in calculating the protected rent debt figure, I have deducted £1,437.10.
- The Applicant's payment of £10,000 made on 9 December 2020, relates to £1,294.21 of pre-pandemic unprotected rent debt, leaving £8,705.79 to be allocated against the protected rent debt. Therefore, in calculating the protected rent debt figure, I have deducted the £8,705.79 from the protected rent calculation.
- The Applicant's payment of £10,000 made on 9 December 2020, incorporates £14.11 of the quarterly service charge paid for the period from 21 March 2020 to 24 March 2020. Therefore, in calculating the protected rent debt figure, I have deducted the £14.11 from the protected rent calculation.

I have calculated the protected rent debt to be £41,531.52, as follows:

1. an amount of £51,688.52, based on:
  - the annual rent total of £50,362.75 (rent of £48,600 per annum, service charge of £1,287.68 per annum and insurance of £475.07 per annum);
  - a daily of amount £137.98 per day; and
  - the agreed protected rent debt period of 374 days.
  - the gully clearance charge of £84.00.
2. less the Applicant's net payment made on 9 December 2020 of £8,705.79 i.e. the payment made of £10,000, less pre-pandemic unprotected rent debt of £1,294.21.
3. less the Applicant's net payment made on 2 March 2020 of which £1,437.10 related to the protected rent debt period.
4. Less the Applicant's net payment made on 9 December 2020 in relation to the service charge between 21 March 2020 and 24 March 2020 of £14.11.

41. I therefore, **FIND** that the amount of protected rent debt is £41,531.52.

#### **AWARD**

42. Section 6(1) of the Act provides that relief from payment, in relation to a protected rent debt, means any one or more of the following—
- (a) writing off the whole or any part of the debt;
  - (b) giving time to pay the whole or any part of the debt, including by allowing the whole or any part of the debt to be paid by instalments;
  - (c) reducing (including to zero) any interest otherwise payable by the tenant under the terms of the tenancy in relation to the whole or any part of the debt.

Having assessed that, in accordance with Section 13(4)(a) of the Act, the business is viable, I now need to resolve the matter of relief from payment of a protected rent debt by considering whether the tenant should receive any relief from payment and, if so, what relief is appropriate (Section 13(5)(a) of the Act) and make an award which is consistent/appropriate when applying the principles in section 15 of the Act, in accordance with section 14 of the Act.

The section 15 principles are deceptively simple:

1. the proposal should preserve or restore the viability of the tenant's business whilst safeguarding the landlord's solvency; and
2. the tenant should be required to pay as much of the rent debt, with as little delay, as these

principles allow.

As I have found both proposals to be consistent with the principles in section 15 of the Act. I have, in accordance with section 14(5) of the Act, made my Award on the basis that I consider to be appropriate (applying the principles in section 15).

43. In making my Award, I am required to safeguard the Respondent's solvency, but the Respondent's representative has not made any reference to this matter, nor has it been claimed that the amount of the protected rent debt will affect the Respondent's solvency.
44. In accordance with Section 14 of the Act, I am permitted to either write-off all or part of the debt, including interest, or give the Applicant time to pay the whole or part of the debt, or a combination of these measures. Alternatively, I may determine that the Applicant is given no relief from payment.
45. I have concluded that an appropriate Award, which would be consistent with the principles set out in Section 15 of the Act, would involve the Applicant receiving relief from payment of a protected rent debt of £18,886.03, being the equivalent of 4½ months of the annual rent total of £50,362.75.
46. I therefore propose to grant to the Applicant, as required by section 13(5) of the Act, relief from payment of the protected rent debt of £18,886.03.
47. **I HEREBY AWARD AND DIRECT THAT:**
  1. the Applicant is to be granted relief from payment of the protected rent debt of £18,886.03; and
  - the Applicant is to pay to the Respondent the outstanding protected rent debt of £22,645.49 (i.e. the protected rent debt of £41,531.52, less the relief awarded of £18,886.03, with no interest to be applied) in 12 equal monthly instalments commencing 1 June 2023.

#### **COSTS**

48. Section 19 (4) of the Act provides that the Applicant must pay arbitration fees in advance of the arbitration taking place.

Section 19 (1) of the Act states that fees are to include:

  - (a) the arbitrator's fees and expenses; and
  - (b) the fees and expenses of any approved arbitration body concerned.

Therefore, each party must pay its own costs and half of the fees paid by the Applicant totalling £1,750 i.e. the RICS application fee under Procedure B of £250 and the arbitrator's fee under Procedure B of £1,500 plus vat.
49. I therefore additionally Award that the Respondent is to reimburse the Applicant, by 1 June 2023, £1,050, which is 50% of the fee of £1,750 plus VAT.
50. The seat of the arbitration is England and Wales.
51. This Final Award is made and published this Fifteenth day of May 2023.
52. This Final Award will be published by the RICS in an anonymised format.

Signed

**Dated: 15 May 2023**

D J Gilbert BSc FRICS Dip Arb FCI Arb RICS Accredited Mediator  
As Arbitrator