

WIRRAL COUNCIL

PENSIONS COMMITTEE

29 OCTOBER 2018

SUBJECT:	PROPERTY PORTFOLIO RENT ARREARS AND WRITE OFFS
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to request that Members agree to the write off of £93,246.69 of unrecoverable rent arrears from the Fund's property portfolio. The annual property rental income for 2017/18 was £26.8 million.
- 1.2 Appendix 1 to the report, (A report from CBRE detailing property rent arrears), contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 As Members will be aware, CBRE are the managing agents for the Fund's property portfolio. Amongst other functions, they have responsibility for the collection of rent and management of arrears. On an annual basis they produce a report on uncollectable arrears which is attached as an appendix to this report.
- 2.2 CBRE has protocols in place to manage tenants who are experiencing cashflow and other financial difficulties and seek to support them in working through such situations where justifiable. As illustrated in the appendix, there will be instances where tenants enter administration and rent and related property costs are irrecoverable.

3.0 RELEVANT RISKS

- 3.1 Not relevant for this report.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 CBRE considers a number of actions for the recovery of rental arrears before any write off is recommended.

5.0 CONSULTATION

5.1 Not relevant for this report.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 There are no previously approved actions outstanding.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are no implications arising directly from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 The total amount recommended for write off in this report is £93,246.69. The annual property rental income for 2017/18 was £26.8 million.

9.0 LEGAL IMPLICATIONS

9.1 There are no implications arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no planning or community safety implications arising from this report.

13.0 RECOMMENDATION/S

13.1 That Pensions Committee approves the write-off of uncollectable property rental income of £93,246.69.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 CBRE considers these rental arrears to be irrecoverable. The approval of the write off of irrecoverable rent arrears by Pensions Committee forms part of the governance arrangements of Merseyside Pension Fund.

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APPENDICES

The report from CBRE is attached as an exempt appendix to this report.

BACKGROUND PAPERS/REFERENCE MATERIAL

No reference material used in the production of this report.

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Committee:	22 January 2018
	15 November 2016
Property portfolio rent arrears and write offs	25 January 2016
	19 January 2015