

# WIRRAL COUNCIL

## PENSIONS COMMITTEE

3 FEBRUARY 2020

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

### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to request that Members agree to the write off of £61,310.98 of unrecoverable rent arrears from the Fund's property portfolio. The annual property rental income for 2018/19 was £30.5 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. CBRE has a rigorous policy around the identification of potential issues, and the management and collection of late payments. The Fund seeks to strike a balance between supporting tenants during periods of difficult trading and enforcement of debts which may result in tenants ceasing to trade. Potential implications of the current challenging retail conditions on the high street are being monitored closely. Arrears are reviewed at quarterly meetings with officers. On an annual basis CBRE produce a report on uncollectable arrears which is attached as an appendix to this report.

### 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 £61,310.98. The annual property rental income for 2018/19 was £30.5 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 £61,310.98.

## **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.

### **REPORT AUTHOR:**

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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**

<b>Briefing Note</b>	<b>Date</b>

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Pensions Committee:</b>	<b>29 October 2018</b>
	<b>22 January 2018</b>
<b>Property portfolio rent arrears and write offs</b>	<b>15 November 2016</b>