



LOCAL PENSIONS BOARD

Wednesday, 31 March 2021

REPORT TITLE:	PROPERTY PORTFOLIO RENT ARREARS
REPORT OF:	DIRECTOR OF PENSIONS

REPORT SUMMARY

The purpose of this report is to request that Members agree to the write off of £592,846.07 of unrecoverable rent arrears from the Fund's property portfolio. The annual property rental income for 2019/20 was £30.9 million.

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).

RECOMMENDATION/S

That Pensions Committee approves the write-off of uncollectable property rental income of £592,846.07.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION

1.1 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.

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

3.1 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. Members will be aware that the pandemic has had a significant effect on high street retailers which is reflected in the tenants detailed in the appendix.

4.0 FINANCIAL IMPLICATIONS

4.1 The total amount recommended for write off in this report is £592,846.07. The annual property rental income for 2019/20 was £30.9 million.

5.0 LEGAL IMPLICATIONS

5.1 There are none arising from this report.

6.0 RESOURCE IMPLICATIONS: STAFFING; ICT AND ASSETS

6.1 There are none arising directly from this report.

7.0 RELEVANT RISKS

7.1 Not relevant for this report.

8.0 ENGAGEMENT/CONSULTATION

8.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

9.0 EQUALITY IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 There are no environmental or climate implications arising from this report.

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APPENDICES

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

BACKGROUND PAPERS

None

SUBJECT HISTORY (last 3 years)

Council Meeting

Date

Pensions Committee

3 February 2020

29 October 2018

22 January 2018