

WIRRAL COUNCIL

LOCAL PENSION BOARD

22 FEBRUARY 2023

REPORT TITLE:	PROPERTY PORTFOLIO RENT ARREARS AND WRITE OFFS
REPORT OF:	DIRECTOR OF PENSIONS

REPORT SUMMARY

This report provides Board members with a copy of a report regarding the write-off of irrecoverable property rent arrears taken to the recent Pensions Committee meeting.

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 the Local Pension Board be recommended to consider and note the report.

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 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.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The total amount recommended for write off in this report is £900,575.41. The annual property rental income for 2021/22 was £32.1 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 no additional resource implications arising from this report.

7.0 RELEVANT RISKS

- 7.1 Due consideration and an assessment of the creditworthiness of existing and potential tenants of the Fund's properties is undertaken by CBRE but there are instances where a tenant goes into administration or liquidation due to adverse trading in difficult economic conditions.

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 The content and/or recommendation contained within this report have no direct implications for equality.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

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

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The content and/or recommendation contained within this report have no direct implications for community wealth.

REPORT AUTHOR: Donna Smith
Head of Finance & Risk
telephone: (0151) 2421312
email: donnasmith@wirral.gov.uk

APPENDICES

A report from CBRE detailing property rent arrears is attached as appendix 1 to this report.

BACKGROUND PAPERS

Wirral Council Constitution

TERMS OF REFERENCE

This report is being considered by the Local Pension Board in accordance with Section 13.1 and Section 13.2b of its Terms of Reference:

- 13.1 The Board must assist the Scheme Manager with the primary core function in securing compliance with the regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator.
- 13.2 This involves but is not limited to oversight and comment on:
- b. Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Board	22 June 2022
	29 March 2021
	3 February 2020