



meeting

PENSIONS INVESTMENT SUB COMMITTEE

date

14 MARCH 2008

agenda item number

REPORT OF THE STRATEGIC DIRECTOR OF RESOURCES

PROPERTY INSPECTION 2007

Purpose of the Report

1. To report on the Property Inspection which took place on 3rd and 4th October 2007.

Information and Advice

2. The Myners Principles set out best practice on trustee investment responsibilities and emphasise the need for trustee Members to be well informed on their Pension Fund's investments. The annual property inspection provides Members with the opportunity to:
 - a) assess the investment performance of each property at first hand
 - b) discuss with the Fund Managers their plans for the properties
 - c) assess the state of the property market specific to the properties inspected
 - d) increase their awareness of the Fund Managers' performance.
3. The 2007 Property Inspection reviewed properties owned by the Pension Fund in the South and the Midlands. In total, six separate properties were inspected, with a combined valuation of £43 million, which represents approximately 14% of the total value of the Property Portfolio. The properties involved were:

Property	Valuation £m	Description
North Bar Street, Banbury	4.7	Former supermarket, in use as an entertainments hall
Minton Place, Swindon	5.2	Office building – 5 floors
Windsor House, Cardiff	6.6	Multi let office block
Retail Park, Newport	8.6	Retail terrace
Gallagher Park, Coventry	6.0	Production unit
Crosspoint, Coventry	12.1	Modern industrial units
Total	43.2	

4. As part of the inspection process, Members were presented with the tenancy schedules for each property, highlighting key factors including the rental sums involved and the level of vacant space available. Individual properties were discussed in detail with Goodman, the Fund's main Property Manager, and issues raised on each property. Goodman explained their strategy in more detail and described the key investment features of each property. Overall, the inspection proved a very helpful and useful means of updating Members on current market positioning and strategy.
5. The estimated cost of the property inspection including overnight accommodation was £2,300 which has been met from the Pension Fund's budget for Trustee Training and Activities.

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder, human rights and those using the relevant service. Where such implications are material, they have been described in the text of the report.

Recommendations

7. The report be noted.

8. The Property Managers be asked to organise another property inspection in 2008.

**ARTHUR DEAKIN
STRATEGIC DIRECTOR OF RESOURCES**

Background Papers Available for Inspection

Nil.