



Nottinghamshire  
County Council

## Report to Pensions Investment Sub-Committee

10 November 2011

Agenda Item:5

### REPORT OF THE SERVICE DIRECTOR (FINANCE)

#### PROPERTY INSPECTION 2011

##### 1. Purpose of the Report

- 1.1 To report on the Property Inspection which took place on 26th and 27th September 2011.

##### 2. Information and Advice

- 2.1 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) appreciate the nature and potential of the properties in the Fund's portfolio
- b) assess the investment performance of each property at first hand
- c) discuss with the Fund Managers their plans for the properties and offer views on proposed strategies
- d) assess the state of the property market specific to the properties inspected
- e) increase their awareness of the Fund Managers' performance.

- 2.2 The 2011 Property Inspection reviewed properties in the South East of England. In total, three possible land acquisitions and five separate properties owned by the Pension Fund were inspected, with a combined valuation of some £42 million, which represents approximately 11% of the total value of the Property Portfolio. The properties involved were:

<b>Property</b>	<b>Description</b>
Loughborough, Earl Shilton and Barwell	Possible land acquisitions
Elstree Gate, Borehamwood	Multi-let office park
Little Chalvendon, Basildon	130 acre farm
Holland House, Bury Street, London	Grade 2 listed office building
Renown House, Bury Street, London	Multi-let offices
20-24 Kirby Street, London	Multi-let offices

- 2.3 As part of the inspection process, Members were presented with the tenancy schedules for each property, highlighting key factors including the rent payable, lease expiry dates and the level of vacant space available. Individual properties were discussed in detail with Aberdeen, the Fund's main Property Manager, and issues raised on each property. Aberdeen 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.
- 2.4 The approximate cost of the property inspection including overnight accommodation was £3,000 which has been met from the Pension Fund's budget for Trustee Training and Activities.

### **3. Statutory and Policy Implications**

- 3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **4. Recommendation**

- 4.1 That the report be noted and that the Fund's Property Managers be asked to organise another property inspection in 2012.

**PAUL SIMPSON**  
**SERVICE DIRECTOR (FINANCE)**

### **Background Papers Available for Inspection**

Nil.