



Property Investment Board

Date: MONDAY, 18 FEBRUARY 2013
Time: 1.45pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Deputy Michael Cassidy (Chairman)
Archie Galloway (Deputy Chairman)
Deputy Ken Ayers (Chief Commoner)
Mark Boleat (Ex-Officio Member)
Ray Catt (Ex-Officio Member)
Roger Chadwick
Deputy Anthony Eskenzi
Martin Farr
Alderman Sir Robert Finch
George Gillon
Brian Harris
Michael Hudson
Deputy Keith Knowles
Deputy Edward Lord

Enquiries: Matthew Pitt
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Matthew.Pitt@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES FOR ABSENCE**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To approve the public minutes and summary of the Property Investment Board meeting held on 16 January 2013.

For Decision
(Pages 1 - 4)
4. **ORACLE ENTERPRISE RESOURCE PLANNING (ERP) PROJECT (THE REPLACEMENT / UPGRADE OF CBIS AND MANHATTAN SYSTEMS)**
Report of the City Surveyor.

For Information
(Pages 5 - 8)
5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
7. **EXCLUSION OF THE PUBLIC**
MOTION – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

8. **NON PUBLIC MINUTES**
To approve the non-public minutes of the Property Investment Board meeting held on 16 January 2013.

For Decision
(Pages 9 - 16)

ALL ESTATES

9. **MUSEUM OF LONDON - 150 LONDON WALL CAPITAL FUNDING**
Report of the Town Clerk.

For Information
(Pages 17 - 22)
10. **FORMER TENANTS RENT ETC ARREARS WRITE OFFS**
Report of the Comptroller and City Solicitor.

For Decision
(Pages 23 - 30)

11. **CITY'S RENTAL FORECASTS MONITORING REPORT**
Report of the City Surveyor.
For Information
(Pages 31 - 42)
12. **VACANT ACCOMMODATION UPDATE AS AT 1 DECEMBER 2012**
Report of the City Surveyor.
For Information
(Pages 43 - 76)
13. **FIRST REGISTRATION OF THE CITY'S FREEHOLD TITLES - PROGRESS SINCE FEB 2012**
Joint report of the Comptroller and City Solicitor and the City Surveyor.
For Information
(Pages 77 - 84)
14. **CITY SURVEYOR'S BUSINESS PLAN 2012-15 QUARTER 3 2012/13 UPDATE**
Report of the City Surveyor.
For Information
(Pages 85 - 100)

CITY FUND ESTATE

15. **42 NEW BROAD STREET EC2 - GRANT OF NEW LEASE**
Report of the City Surveyor.
For Decision
(Pages 101 - 122)
16. **CITY FUND - STRATEGIC UPDATE**
Report of the City Surveyor.
For Information
(Pages 123 - 184)

BRIDGE HOUSE ESTATES

17. **BRIDGE HOUSE ESTATES - LETTING REPORT**
Report of the City Surveyor.
For Decision
(Pages 185 - 188)
18. **BRIDGE HOUSE ESTATES- STRATEGIC REVIEW**
Report of the Town Clerk.
For Information
(Pages 189 - 228)

CITY'S ESTATE

19. **CITY'S ESTATE - NEW LEASES OF SUITES K AND L, 1 EAST POULTRY AVENUE, SMITHFIELD MARKET**
Report of the City Surveyor.
For Decision
(Pages 229 - 236)
20. **GATEWAY 3/4 - OPTIONS APPRAISAL - REFURBISHMENT OF VACANT OFFICE SPACE - 2ND AND 3RD FLOORS AND OFFICE RECEPTION AREA, GLEN HOUSE, 200-208 TOTTENHAM COURT ROAD, LONDON, W1**
Report of the City Surveyor.
For Decision
(Pages 237 - 264)
21. **COMBINED GATEWAY 3/4/4C - OUTLINE OPTIONS & DETAILED OPTIONS APPRAISAL- REFURBISHMENT OF VACANT OFFICE BUILDING - 35/37 ALFRED PLACE, LONDON WC1**
Report of the City Surveyor.
For Decision
(Pages 265 - 284)
22. **DEED OF VARIATION TO THE DEVELOPMENT AGREEMENT RELATING TO 5 - 7 GILTSPUR STREET, LONDON, EC1A**
Report of the City Surveyor.
For Decision
(Pages 285 - 290)
23. **CITY'S ESTATE STRATEGIC REVIEW**
Report of the City Surveyor.
For Information
(Pages 291 - 342)

STRATEGIC ESTATES

24. **STRATEGIC PROPERTY ESTATE - UPDATE**
Report of the City Surveyor.
For Information
(Pages 343 - 390)
25. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
26. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

PROPERTY INVESTMENT BOARD

Wednesday, 16 January 2013

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Wednesday, 16 January 2013 at 1.45pm

Present

Members:

Deputy Michael Cassidy (Chairman)
Archie Galloway (Deputy Chairman)
Deputy Ken Ayers (Chief Commoner)
Roger Chadwick
Deputy Anthony Eskenzi
Martin Farr
Alderman Sir Robert Finch
George Gillon
Michael Hudson
Deputy Keith Knowles
Deputy Edward Lord

Officers:

Matthew Pitt	- Town Clerk's Department
Susan Attard	- Town Clerk's Department
Daniel Hooper	- Town Clerk's Department
John James	- Chamberlain's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
Peter Bennett	- City Surveyor
Nicholas Gill	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Trevor Nelson	- City Surveyor's Department
Colin Wilcox	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

Apologies were received from Mark Boleat, Ray Catt and Brian Harris.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES

The public minutes and summary of the meeting held on 4 December 2012 were approved.

4. **PROPOSAL FOR UNRESTRICTED FREE USE OF CITY WIFI NETWORK**
The Board received a report of the City Surveyor setting out proposals for the delivery of free and unrestricted user access across the City WiFi network. Members noted that the proposals had been approved by the Finance Committee and Policy and Resources Committee at their December meetings.

RECEIVED.

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.

6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no urgent items.

7. **EXCLUSION OF THE PUBLIC**
RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act as follows: -

8. **NON PUBLIC MINUTES**
The non-public minutes of the meeting held on 4 December 2012 were approved.

9. **ARREARS OF RENT ETC.**
The Board received a report of the City Surveyor.

RECEIVED.

10. **QUARTERLY DELEGATED AUTHORITIES UPDATE - 1 OCTOBER 2012 TO 31 DECEMBER 2012**
The Board received a report of the City Surveyor.

RECEIVED.

11. **OUTSTANDING LEASE RENEWALS & RENT REVIEWS**
The Board received a report of the City Surveyor.

RECEIVED.

12. **OUTLINE OPTIONS APPRAISAL (GATEWAY 3) - FLEET HOUSE, 8-12 NEW BRIDGE STREET, LONDON EC4**
The Board approved a report of the City Surveyor.

13. **THE TOWER OF ST MARY SOMERSET, UPPER THAMES STREET, LONDON EC4 - VARIATION OF THE DEVELOPMENT AGREEMENT**
The Board approved a report of the City Surveyor.

14. **HIGHWAY DISPOSAL - NEW STREET SQUARE, EC4**
The Board approved a report of the City Surveyor.

15. **CITY FUND - LETTING REPORT**
The Board approved a report of the City Surveyor.
16. **BRIDGE HOUSE ESTATES - LETTING REPORT**
The Board approved a report of the City Surveyor.
17. **DETAILED OPTIONS APPRAISAL - GATEWAY 4: 1/5 LONDON WALL BUILDINGS, EC2**
The Board approved a report of the City Surveyor.
18. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were six urgent items.

The meeting ended at 2.20pm

Chairman

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Matthew.Pitt@cityoflondon.gov.uk**

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Agenda Item 4

Committee(s):	Date(s):
Project Investment Board	19 th February 2013
Subject: Oracle Enterprise Resource Planning (ERP) project (the replacement / upgrade of CBIS and Manhattan Systems)	Public
Report of: Chamberlain	For Information

Summary

This project aims to replace two existing projects: Oracle R12 (Release 12 is the version of software) and Manhattan software replacement (Property income management system). It will be recommended to Finance Committee and Projects Sub Committee that these two projects are closed and the requirements consolidated to a new project; Oracle ERP (Enterprise Resource Planning) project.

The Oracle ERP project team are presently developing a Finance Committee proposal (project *Vision Gateway 4*) that will detail the tender scope, set out the potential business benefits of moving to Oracle R12 (combined with a Property management solution) and the recommended procurement programme. The Gateway 4 committee(s) report will be submitted for approval in April 2013.

The procurement will include an option for keeping the management and maintenance of the software in-house and will also include an option for a Managed Service provision for the Corporations' future Oracle requirements. A Managed Service provision would involve the outsourcing of the application development and on-going support functions.

Recommendations

The Committee receive this report

Main Report

Background

1. The maintenance agreement with Oracle which covers the Corporation's financial management system, known internally as CBIS, will reduce from November 2013 which represents a risk if action is not taken to move to the latest version of the system. A new version (Release 12) of the software will be required to ensure on-going full support.
2. The Manhattan system has been identified as a priority for replacement (Finance Committee, Property Investment Board) to assure future reliability and capability. The Corporation relies upon the Manhattan

system for the continued ability to effectively manage the Corporation's rental income and cost recovery from its investment portfolio.

3. Oracle Release 12 (Oracle R12) represents the opportunity to perform the property and lease management functions presently undertaken by Manhattan.

Current Position

4. The Oracle Property Manager has been demonstrated and the decision on its ability to meet the business requirement is a qualified "yes", subject to the necessary configuration and reporting requirements being undertaken by the System Integrator.
5. Cost proposals are being sought for an assessment of the data and business procedures in both the Manhattan and CBIS systems and to develop and test two necessary customisations, to include in the tender documentation. This advance work would speed up the implementation and reduce the uncertainty associated with the volume of work required in the tender. Funding will be requested when the indicative cost for this work is known (6th February 2013). The appointment of a service provider would be subject to a formal quotation procedure in accordance to procurement regulations.
6. The Gateway 4 committee(s) report will include an option for keeping the management and maintenance of the software in-house and will also include an option for a Managed Service provision for the Corporations' future Oracle requirements. A Managed Service provision would involve the outsourcing of the application development and on-going support functions.
7. Projects Sub-committee considered this project on 10th January 2013 and endorsed the option to consider a managed service provision as part of the appraisal.
8. The Establishment Committee has received a report for information purposes only; updating Members on the potential for TUPE considerations and the integration with the wider IS Sourcing Review strategy on the 31st January 2013. The report was noted without comment.
9. The Gateway 4 committee(s) report will be submitted in March 2013 for approval in April 2013. The formal agreement to combine the two projects will be sought as part of the Gateway 4 Detailed Options Appraisal report. If that report is approved, the projects will be combined in Project Vision.

Corporate & Strategic Implications

10. The Information Systems Review (IS Review Sourcing project) procurement is now underway, and includes options for procuring certain IS services which are presently delivered by in-house staff. This includes an option for Application Support.

11. Application Support includes resource which would also be impacted in a Managed Service for Oracle provision. The decision on which option to proceed with, will be made in conjunction with the IS Review Sourcing Project. The timings of both projects are co-ordinated to coincide for this decision towards the end of 2013.
12. The Oracle R12 and the IS Review Sourcing Project is working with the HR department to ensure all appropriate procedures are followed. Union representatives will continue to be kept informed of progress.
13. As part of the review of which Oracle modules will be required by the Corporation, consideration is being given to removing customisations to software and identifying improvement to business process and procedures where practicable to do so.
14. It is anticipated business benefits and improvements will be identified for each option, some of which may be cashable savings.
15. The Gateway 4 report will detail the current cost of delivering a maintained Oracle system (CBIS) and Manhattan and the anticipated tender price for each option.

Conclusion

16. The Oracle upgrade to R12 and the replacement of Manhattan are necessary for the continued essential business operations dependant on these systems.
17. The combined future delivery of these two operations within a single system represents the opportunity to implement a more standard system, utilisation of business procedures that represent best practice and efficiency improvement and provide on-going assurance for future changes in technology.

Marcus Denton

ERP Project Manager

IS Division

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