



## Property Investment Board

- Date:** WEDNESDAY, 20 MAY 2015
- Time:** 1.45 pm
- Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL
- Members:** Membership to be confirmed at the Investment Committee meeting on 14 May 2015.
- Enquiries:** David Arnold  
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david.arnold@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm  
NB: Part of this meeting could be subject to audio or video recording

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. **RESOLUTION OF THE INVESTMENT COMMITTEE (TO FOLLOW)**  
To receive the resolution of the Investment Committee dated 14 May 2015 appointing the Board and to ratify the election of Chairman and Deputy Chairman of the Board taken at this meeting.  

**For Information**
4. **MINUTES**  
To approve the public minutes and summary of the Property Investment Board meeting held on 25 March 2015.  

**For Decision**  
(Pages 1 - 4)
5. **TERMS OF REFERENCE, FREQUENCY OF MEETINGS AND 2015/16 WORK PROGRAMME**  
Report of the Town Clerk.  

**For Decision**  
(Pages 5 - 12)
6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
8. **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.  

**For Decision**

## Part 2 - Non-Public Agenda

9. **NON PUBLIC MINUTES**  
To approve the non-public minutes of the Property Investment Board meeting held on 25 March 2015.  

**For Decision**  
(Pages 13 - 20)
10. **ACTION TAKEN BETWEEN MEETINGS**  
Report of the Town Clerk.  

**For Information**  
(Pages 21 - 24)

11. **RISK REGISTER FOR BRIDGE HOUSE ESTATES**  
 Joint report of the Town Clerk, Chamberlain, City Surveyor, and Director of Culture, Heritage and Libraries.  
**For Decision**  
 (Pages 25 - 34)
12. **DEPARTMENTAL RISK UPDATE**  
 Report of the City Surveyor.  
**For Information**  
 (Pages 35 - 56)
13. **CITY'S RENTAL FORECASTS MONITORING REPORT**  
 Report of the City Surveyor.  
**For Information**  
 (Pages 57 - 66)
14. **MARCHÉ INTERNATIONAL DES PROFESSIONNELS D'IMMOBILIER (MIPIM PROPERTY CONFERENCE) 2015**  
 Report of the City Surveyor.  
**For Decision**  
 (Pages 67 - 78)
15. **CITY SURVEYOR'S BUSINESS PLAN 2014-17 – 4<sup>TH</sup> QUARTER PROGRESS**  
 Report of the City Surveyor.  
**For Information**  
 (Pages 79 - 100)
16. **DELEGATED AUTHORITIES AS AT 31 MARCH 2015**  
 Report of the City Surveyor.  
**For Information**  
 (Pages 101 - 116)
17. **SALE OF BERNARD MORGAN HOUSE**  
 Report of the City Surveyor.  
**For Decision**  
 (Pages 117 - 122)
18. **GATEWAY 5 AUTHORITY TO START WORK: QUEEN VICTORIA STREET – REFURBISHMENT OF BRIDGE HOUSE AND ADJOINING CAR PARK (TO FOLLOW)**  
 Report of the City Surveyor.  
**For Decision**

**CITY'S ESTATE**

19. **DISPOSAL OF SYLVACOTE & AVENUE COTTAGES, PARK LANE, ASHTEAD**  
 Report of the City Surveyor.  
**For Decision**  
 (Pages 123 - 132)

20. **LETTING REPORT – AMENDMENT TO THE SHOP LEASE VARIATION, NEW BOND STREET, W1**  
Report of the City Surveyor.

**For Decision**  
(Pages 133 - 140)

**CITY FUND ESTATE**

21. **LETTING REPORT – NEW LEASE FOR 5TH FLOOR OFFICES, GARLICK HILL, EC4**  
Report of the City Surveyor.

**For Decision**  
(Pages 141 - 146)

22. **RENT REVIEW – ALDERMANBURY SQUARE, EC2**  
Report of the City Surveyor.

**For Decision**  
(Pages 147 - 152)

23. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

24. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## PROPERTY INVESTMENT BOARD

Wednesday, 25 March 2015

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2  
on Wednesday, 25 March 2015 at 1.45 pm

### Present

#### Members:

Deputy Michael Cassidy (Chairman)  
Deputy Alastair Moss (Deputy Chairman)  
Ken Ayers  
Christopher Boden  
Roger Chadwick  
Brian Harris  
Michael Hudson  
Dhruv Patel  
Tom Sleigh

#### Officers:

David Arnold	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
Neil Robbie	City Surveyor's Department

#### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from George Gillon and Deputy Robert Howard.

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

There were none.

#### 3. MINUTES

**RESOLVED** – That the public minutes and non-public summary of the meeting held on 18 February 2015 be approved.

#### 4. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were none.

#### 5. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was none.

6. **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.

Item No.  
7 – 16

Paragraph No.  
3

7. **NON PUBLIC MINUTES**

**RESOLVED** – That the non-public minutes of the meeting held on 18 February 2015 be approved.

8. **CITY SURVEYOR'S DEPARTMENTAL BUSINESS PLAN 2015-18**

The Board considered a report of the City Surveyor that sought approval to the City Surveyor's Business Plan 2015-18.

9. **GATEWAY 3/4/4B OPTIONS APPRAISAL: BREWERY ROAD, N7**

The Board considered a report of the City Surveyor regarding the options for the refurbishment of a property on Brewery Road, N7.

10. **KING WILLIAM STREET, EC4 – DISPOSAL OF PART FREEHOLD INTEREST**

The Board considered a report of the City Surveyor that sought approval to the disposal of the City Corporation's part freehold interest in a property on King William Street.

11. **CROSSRAIL CAPITAL REALISATION PROGRAMME**

The Board considered a report of the City Surveyor regarding the City of London Corporation's funding commitments towards the Crossrail project.

12. **AMEN LODGE, WARWICK LANE, EC4 – 90 YEAR RESIDENTIAL LEASE EXTENSIONS**

The Board considered a report of the City Surveyor that sought approval to a lease extension in two flats at Amen Lodge, EC4.

13. **LEASE VARIATION – BAYNARD HOUSE, QUEEN VICTORIA STREET, EC4**

The Board considered a report of the City Surveyor regarding a lease variation amending insuring terms at Baynard House, EC4.

14. **LETTING REPORT – NEW LETTING, WORSHIP STREET EC2**

The Board considered a report of the City Surveyor that sought approval to a new letting on Worship Street, EC2.

15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were none.

**16. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

The Board considered two items of urgent business.

**The meeting ended at 3.00 pm**

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Chairman

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<b>Committee:</b> Property Investment Board	<b>Date:</b> 20 May 2015
<b>Subject:</b> Terms of Reference, Frequency of meetings and 2014/15 Work Programme	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>
<p><b>Summary</b></p> <p>This report sets out Terms of Reference for the Property Investment Board, the frequency of meetings, proposed work programme and dates of Board meetings for the remainder of the year.</p> <p><b>Recommendations</b></p> <p>It is recommended that:-</p> <ul style="list-style-type: none"> <li>a) Members note the Property Investment Board's Terms of Reference;</li> <li>b) Members consider the frequency of the Board's meetings set out in Appendix A; and</li> <li>c) Members approve the proposed work programme for 2015/16.</li> </ul>	

## Main Report

1. This report notes the Terms of Reference and composition of the Property Investment Board. It also sets out details of the co-option arrangements adopted by the Investment Committee for all of its Boards.
2. The Board is further asked to consider the frequency of its meetings. It is proposed that the Property Investment Board will meet on a monthly basis on those dates set out at **Appendix A**. This arrangement reflects the proposed work programme for the Board outlined below.

### Property Investment Board –Terms of Reference

3. The Property Investment Board's Terms of Reference, subject to the agreement of the Investment Committee on 14 May 2015 are as follows:-
  - (a) To determine and approve management and investment matters relating to property within the City's Cash, City Fund and Bridge House Estates in accordance with the management plans and investment strategies determined by the Policy and Resources Committee.
  - (b) to acquire, manage or dispose of all City property within its remit;
  - (c) to determine specific property ownerships in accordance with policies established by the Policy and Resources Committee and the Court of Common

Council in relation to the extent of properties to be held by the City of London Corporation for strategic purposes, including within the City itself;

- (d) in relation to Leadenhall Market, to lease any shop or shops at less than the full market rent in order to obtain the stated objectives of securing a first class, balanced and varied market; and
  - (e) to report during the year to the Investment Committee in relation to its activities and the overall performance of the investment property portfolios.
4. There is provision within Standing Orders to enable the Chairman of the Property Investment Board to report on and speak to the Board's activities and responsibilities in the Court of Common Council and to ensure that any decisions, especially those relating to property, are taken without undue delay.
  5. The Property Investment Board's composition, subject to the agreement of the Investment Committee on 14 May 2015 is:-
    - Chairman and Deputy Chairman - To be determined by the Board
    - 12-14 Members of the Investment Committee (including the Chairman and Deputy Chairman)

**Property Investment Board – Work Programme**

6. Outlined below are some of the key issues that will need to be considered by the Property Investment Board at its meetings throughout the year. The programme is intended to be indicative, in order to give Members some idea of the reports that will be considered during its meetings and is subject to change.

<b>APRIL</b>	<b>NO COMMITTEE – RECESS</b>
<b>MAY</b>	Rental Forecasts Quarterly Report. Write Off Report MIPIIM Report on March's Exhibition. Delegated Authorities – Decisions as at 31 <sup>st</sup> March. Business Plan – 4 <sup>th</sup> Quarter Progress. City Surveyor's Department Risk Register – 4 <sup>th</sup> Quarter Progress.
<b>JUNE</b>	Annual Valuation. Arrears (as at March Quarter day) – Half yearly report. City Surveyor's Department Risk update
<b>JULY</b>	Voids (as at 1st June) – Half yearly report. IPD Annual Performance. Delegated Authorities – Decisions as at 30 <sup>th</sup> June. Outturn Report. City Surveyor's Department Risk update
<b>AUGUST</b>	<b>NO COMMITTEE – RECESS</b>

<b>SEPTEMBER</b>	Rent Reviews/Lease Renewals report on June Quarter Day.
	Rental Forecast Quarterly Report.
	Write Off Report
	Business Plan – 1 <sup>st</sup> Quarter Progress.
	City Surveyor's Department Risk Register – 1st Quarter Progress.
<b>OCTOBER</b>	Delegated Authorities - Decisions as at 30 <sup>th</sup> September.
	City Surveyor's Department Risk update
<b>NOVEMBER</b>	Business Plan – 2 <sup>nd</sup> Quarter Progress.
	City Surveyor's Department Risk Register – 2nd Quarter Progress.
	Rental Forecast Quarterly Monitoring Report.
	Write Off Report
<b>DECEMBER</b>	City's Estate Annual Update.
	City Fund Annual Update.
	Bridge House Estate Annual Update.
	Strategic Property Annual Update.
	Annual Estimates.
	Arrears (as at Sept Quarter day) - Half yearly report.
	City Surveyor's Department Risk update
<b>JANUARY</b>	Voids (as at 1 Dec) – Half yearly report.
	Delegated Authorities – Decisions as at 31 <sup>st</sup> December .
	Rent Renewal/Lease Renewals report as at December Quarter Day.
	City Surveyor's Department Risk update
<b>FEBRUARY</b>	Rental Forecasts Quarterly Report.
	Write Off Report
	Business Plan 3 <sup>rd</sup> Quarter Progress.
	City Surveyor's Department Risk Register – 3rd Quarter Progress.
<b>MARCH</b>	New Business Plan
	City Surveyor's Department Risk update
	Crossrail Strategy Annual Update.

7. Over the course of the year, the Property Investment Board will report to the Investment Committee, as follows:

### **January Meeting**

The Investment Committee will receive a report from the Property Investment Board on its review of various property strategies:-

City Fund Estate  
City's Estate  
Bridge House Estate  
Leadenhall

**Spring Meeting**

The Investment Committee will receive a report from the Property Investment Board on the outturn of the previous year's performance and valuation as at 31st March.

**Summer Meeting**

The Investment Committee will receive a monitoring report of current year Investment Property performance including voids and arrears.

**Each meeting**

In addition to the above, the minutes of the latest Property Investment Board meetings will be submitted to the Investment Committee for information.

**Co-option arrangements**

8. The Property Investment Board, Financial Investment Board and Social Investment Board are all empowered to co-opt people with relevant expertise or experience, including non-Members of the Court of Common Council, to assist in their deliberations. The protocol concerning the co-option arrangements for each Board is attached at Appendix B and is subject to the approval of the Investment Committee on 14 May 2015.

**Appendices**

- Appendix A: 2015/16 meeting dates
- Appendix B: Protocol for co-option to the Financial Investment Board, the Property Investment Board and the Social Investment Board

**Contact:**

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**Meeting dates for the Property Investment Board – 2015/16**

<b>Meeting</b>	<b>Time</b>
17 Jun 2015	13:45
22 Jul 2015	13:45
16 Sep 2015	13:45
14 Oct 2015	13:45
11 Nov 2015	13:45
9 Dec 2015	13:45
13 Jan 2016	13:45
10 Feb 2016	13:45
9 Mar 2016	13:45

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## **Protocol for co-option to the Financial Investment Board, the Property Investment Board and the Social Investment Board**

1. The Financial Investment Board, the Property Investment Board and the Social Investment Board are empowered to co-opt people with relevant expertise or experience, including non-Members of the Court of Common Council, to assist in their deliberations.
2. The arrangements for co-option and the co-opted membership of individuals to the Financial Investment Board, the Property Investment Board and Social Investment Board will be reviewed on an annual basis at the May meeting of the Investment Committee (and thereafter at the first meetings of the respective Boards).
3. When suggesting individuals with relevant expertise or experience for co-option, Members of the Financial Investment Board, the Property Investment Board or the Social Investment Board will be required to:-
  - a. send a written request for co-option to the Town Clerk, specifying whom it is proposed should be co-opted to either the Financial Investment Board or the Property Investment Board and the reasons for their co-option;
  - b. send a CV or supporting statement, for the individual being suggested for co-option, to the Town Clerk. Bearing in mind the Board's terms of reference, the letter and supporting statement or CV should demonstrate the individual's relevant skills and experience.
4. For the Standards Committee, is it considered inappropriate for past Members of the Court of Common Council or former City Corporation employees to be eligible to serve as [independent] outside members and Members will need to consider if the same conditions should apply in respect of co-option to the Financial Investment Board, the Property Investment Board and Social Investment Board. It would be inappropriate for a close friend or relative of any Member or officer to serve or indeed an employee of any organisation of which the City Corporation is a client.
5. The Town Clerk will consult the relevant Chief Officer to discuss the co-option request and will, if necessary, prepare a report for the next meeting of the respective Board. Members of the respective Board will then be asked to consider the co-option request.
6. Unless co-option is time-banded or topic/project restricted, co-opted Members of the Financial Investment, the Property Investment Board and Social Investment Board will be entitled to attend all meetings of the respective Board for a maximum of 12 months (prior to the annual review in May) and to receive all committee-related documentation, including exempt papers, unless otherwise determined by the Town Clerk in consultation with the relevant Chief Officer.

7. The Financial Investment Board, the Property Investment Board and the Social Investment Board are empowered to approve their own co-opted membership (majority vote) without prior consultation with, or agreement by, the Investment Committee. The Town Clerk will inform the Chairman and Deputy Chairman of the Committee once a Board has agreed co-option of an individual.
8. Co-opted Members would not have voting rights.
9. Co-opted Members of the Financial Investment Board, the Property Investment Board and Social Investment Board will be required to complete a Register of Interest form and declare personal and prejudicial interests when in attendance at meetings.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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