



Property Investment Board

Date: WEDNESDAY, 16 MAY 2018
Time: 8.30 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Chairman – to be appointed by the Investment Committee, together with 12-14 Members appointed by the Investment Committee on 9th May 2018.
Co-opted Members*
Stuart Corbyn
Tony Joyce
David Shaw OBE
David Brooks Wilson

*Subject to reappointment at the Property Investment Board meeting on 16th May

Enquiries: John Cater
john.cater@cityoflondon.gov.uk

Breakfast will be served on the 2nd Floor in Guildhall West Wing at 8.00am
N.B. Part of this Meeting could be the subject of audio 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 consider a resolution of the Investment Committee dated 9th May 2018.

To follow
4. **TERMS OF REFERENCE, FREQUENCY OF MEETINGS, 2018/19 WORK PROGRAMME, AND APPOINTMENTS TO OTHER COMMITTEES**
Report of the Town Clerk

For Information
5. **MINUTES**
To approve the public minutes of the Property Investment Board meeting held on 21 March.

For Decision
(Pages 1 - 8)
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
(Pages 9 - 12)

Part 2 - Non-Public Agenda

9. **NON PUBLIC MINUTES**
To approve the non-public minutes of the Property Investment Board meeting held on 21 March

For Decision
(Pages 13 - 18)

ALL ESTATES

10. **REPORT ON ACTION TAKEN**
Report of the Town Clerk.

For Information
(Pages 19 - 24)

11. **DELEGATED AUTHORITIES AS AT 31ST MARCH**
Report of the City Surveyor.

For Information
(Pages 25 - 42)

12. **RENTAL FORECASTS QUARTERLY REPORT**
Report of the City Surveyor.

To follow.

13. **ANNUAL VALUATION REPORT**
Report of the City Surveyor.

For Information

For Information
(Pages 43 - 46)

14. **WRITE OFF REPORT (UNDER £5K)**
Report of the City Surveyor.

For Information
(Pages 47 - 52)

CITY'S ESTATE

15. **CITY'S ESTATE : SOUTH MOLTON STREET - COLLABORATION AGREEMENT**
Report of the City Surveyor.

For Decision
(Pages 53 - 72)

CITY FUND ESTATE

16. **CITY FUND: 15/17 ELDON STREET, LEASE RENEWAL, 3RD FLOOR**
Report of the City Surveyor.

For Decision
(Pages 73 - 78)

17. **CITY FUND: GATEWAY 3 REPORT - 15/17 ELDON STREET -
REFURBISHMENT/EXTENSION**

BRIDGE HOUSE ESTATES

18. **BHE - 1-5 LONDON WALL BUILDINGS EC2 - DISPOSAL OF NEW 150 YEAR LEASE**

Report of the City Surveyor.

For Decision
(Pages 107 - 160)

19. **BHE - 1/5 LONDON WALL BUILDINGS EC2 - PROPOSED LEASEHOLD DISPOSAL - TUPE**

Report of the City Surveyor.

For Information
(Pages 161 - 162)

20. **BHE - SURRENDER OF PART GROUND FLOOR, 1-5 LONDON WALL BUILDINGS & NEW LETTING OF PART 1ST FLOOR, 23 FINSBURY HOUSE, LONDON EC2**

Report of the City Surveyor.

For Decision
(Pages 163 - 176)

21. **BRIDGE HOUSE ESTATES : GATEWAY 3/4 OPTIONS APPRAISAL : CANDLEWICK HOUSE, 116-126 CANNON STREET, LONDON, EC4**

Report of the City Surveyor.

To Follow.

For Decision

22. **BRIDGE HOUSE ESTATES - NON-COMPLIANT WAIVER REPORT FOR ARCHITECT FEES ON CANDLEWICK HOUSE, 116-126 CANNON STREET, LONDON, EC4**

Report of the City Surveyor.

To Follow

For Decision

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**

Michael Graham – Spelthorne Council

Agenda Item 4

Committee:	Date:
Property Investment Board	16 May 2018
Subject: Terms of Reference, Frequency of meetings, 2018/19 Work Programme, and Appointments to other Committees	Public
Report of: Town Clerk	For Decision
Report author: John Cater, Town Clerk's Department	

Summary

This report sets out Terms of Reference for the Property Investment Board, the appointments it must make to other Committees, the frequency of meetings, proposed work programme and dates of Board meetings for the remainder of the year.

Recommendations

It is recommended that:

- a) Members note the Property Investment Board's Terms of Reference;
- b) Members consider the frequency of the Board's meetings set out in Appendix A;
- c) Members approve the proposed work programme for 2018/19; and
- d) Appoint three Members to the Corporate Asset Sub Committee, and one Member to the Social Investment Board.

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 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.

There is provision within the Investment Committee's Terms of Reference 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.

Property Investment Board – Work Programme

4. 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.

PROPERTY INVESTMENT BOARD ANNUAL TIMETABLE OF REPORTS May 2018 to April 2019

MAY 2018	Rental Forecasts Quarterly Report.	IPG Assistant Directors
	Write Off Report	Cathy Lawson
	Annual Valuation.	IPG Director
	Delegated Authorities – Decisions as at 31 st March.	IPG Director
JUNE 2018	Business Plan – 4 th Quarter Progress.	John Galvin
	City Surveyor's Department Risk Register – 4 th Quarter Progress.	Faith Bowman
	Arrears (as at March Quarter day) – Half yearly report.	IPG Director
	MIPIM Report on March's Exhibition.	Linzi Clarke
JULY 2018	Voids (as at 1 st June) – Half yearly report.	IPG Director
	MSCI Annual Performance (previously IPD)	IPG Director
	Delegated Authorities – Decisions as at 30 th June.	IPG Director
	Revenue Outturn Report.	John James
AUGUST 2018	NO COMMITTEE – RECESS	
SEPTEMBER 2018	Rent Reviews/Lease Renewals report as at June Quarter Day.	IPG Assistant Directors
	Rental Forecast Quarterly Report.	IPG Assistant Directors
	Write Off Report	Cathy Lawson
	Business Plan – 1 st Quarter Progress.	John Galvin
	City Surveyor's Department Risk Register – 1 st Quarter Progress.	Faith Bowman
OCTOBER 2018	Delegated Authorities - Decisions as at 30 th September.	IPG Director
NOVEMBER 2018	Rental Forecast Quarterly Monitoring Report.	IPG Assistant Directors
	Write Off Report	Cathy Lawson
DECEMBER 2018	Business Plan – 2 nd Quarter Progress.	John Galvin
	City Surveyor's Department Risk Register – 2 nd Quarter Progress.	Faith Bowman
	City's Estate Annual Update.	IPG Director
	Strategic Property Annual Update.	IPG Director

	Annual Estimates.	John James
	New Business Plan 2019 - 2024	John Galvin
	Arrears (as at Sept Quarter day) - Half yearly report.	IPG Director
JANUARY 2019	Voids (as at 1 Dec) – Half yearly report.	IPG Director
	Delegated Authorities – Decisions as at 31 st December	IPG Director
	City Fund Annual Update.	IPG Director
	Bridge House Estate Annual Update.	IPG Director
	Rent Renewal/Lease Renewals report as at December Quarter Day.	IPG Assistant Directors
FEBRUARY 2019	Rental Forecasts Quarterly Report.	IPG Assistant Directors
	Write Off Report	Cathy Lawson
	Business Plan 3 rd Quarter Progress.	John Galvin
	City Surveyor's Department Risk Register – 3rd Quarter Progress.	Faith Bowman
	3 Yearly Report : Performance Metrics Annual Review Report – next due February 2020	John James/Bill Redfern
MARCH 2019		
APRIL 2019	NO COMMITTEE – RECESS	

5. 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

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

6. 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.

Appointments to other Committees

Corporate Asset Sub Committee

7. The Property Investment Board is asked to appoint three Members to the Corporate Asset Sub Committee of the Finance Committee. For 2017/18 the three Members were Alderman Alison Gowman, Deputy Alastair Moss, and John Chapman.
8. The Corporate Asset Sub Committee is responsible for reviewing the performance and adequacy of all the operational property assets of the City Corporation. It is also

responsible for reviewing the overall annual programme of work for repairs and maintenance, the utilisation of resources and for ensuring that a summary list of proposed schemes is submitted annually to the joint meeting of the Resource Allocation Sub Committee and the Efficiency and Performance Sub Committee as part of the resource allocation process. It now has additional responsibilities including the asset and facilities management of Guildhall, Mansion House and the Central Criminal Court and has power to act in approving the Corporate Asset Management Plan. In accordance with Standing Orders 56 and 57, the sub Committee can make disposals of properties which are not suitable to be retained as investment property assets

9. The Corporate Asset Sub Committee is scheduled to meet on:
- 21 May 2018, 1.45 pm
 - 11 July 2018, 1.45 pm
 - 5 September 2018, 9.30 am
 - 1 November 2018, 1.45 pm
10. If these vacancies are not filled at today's meeting, they will be advertised to full Court.

Social Investment Board

11. The Property Investment Board is asked to appoint one Member to the Social Investment Board. For 2017/18 Christopher Boden represented the Property Investment Board
12. The Social Investment Board is responsible for oversight and approval of the City Corporation's social investments and the approval and the appointment of independent advisors tasked with undertaking due diligence of investment proposals.
13. The Social Investment Board is scheduled to meet on:
- 20 June 2018, 11.30 am
 - 18 September 2018, 11.30 am
 - 28 November 2018, 11.30 am
 - 4 March 2019, 11.30 am
14. If these vacancies are not filled at today's meeting, they will be advertised at the next Property Investment Board meeting.

Appendices

- A) Property Investment Board meeting dates 2018/19
- B) Protocol for co-option to the Property Investment Board

Contact
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Meeting dates for the Property Investment Board – 2018/19

Meeting	Time
13 Jun 2018	08:30
18 Jul 2018	08:30
12 Sep 2018	08:30
10 Oct 2018	08:30
7 Nov 2018	08:30
12 Dec 2018	08:30
23 Jan 2019	TBC
20 Feb 2019	TBC
20 Mar 2019	TBC
17 April 2019 (TBC)	TBC
8 May 2019	TBC
12 Jun 2019	TBC
17 Jul 2019	TBC
11 Sep 2019	TBC

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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 or the Social 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.

PROPERTY INVESTMENT BOARD

Wednesday, 21 March 2018

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Wednesday, 21 March 2018 at 8.30 am

Present

Members:

Deputy Alastair Moss (Chairman)
Deputy Tom Sleigh (Deputy Chairman)
Chris Boden
Deputy Keith Bottomley
John Chapman
Alderman Alison Gowman
Deputy Philip Woodhouse
Stuart Corbyn
Tony Joyce
David Brooks Wilson

Officers:

Paul Wilkinson	-	City Surveyor
Nicholas Gill	-	City Surveyor's Department
John James	-	Chamberlain's Department
Alan Bennetts	-	Comptroller & City Solicitor's Department
Andrew Cross	-	City Surveyor's Department
Tom Leathart	-	City Surveyor's Department
Neil Robbie	-	City Surveyor's Department
John Cater	-	Town Clerks Department

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Christopher Hill, Dhruv Patel and David Shaw OBE.

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

There were no declarations.

3. MINUTES

RESOLVED – That the public minutes of the meeting held on 14th February 2018 be approved.

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

There were no questions.

5. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There was no other business.
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.
7. **NON PUBLIC MINUTES**
RESOLVED – That the non-public minutes of the meeting held on 14th February 2018 be approved.
8. **REPORT OF ACTION TAKEN**
Members received a Report of the Town Clerk.
9. **DELEGATIONS SOUGHT DURING APRIL - ASSET MANAGEMENT & DEVELOPMENT - THE CITY SURVEYOR TO BE HEARD.**
Members received a verbal Report of The City Surveyor.
10. **CITY SURVEYORS DEPARTMENT'S BUSINESS PLAN 2018 - 2023**
Members considered a Report of the City Surveyor.
11. **CITY'S ESTATE: SUITES E, G & H, 10 LINDSEY STREET, SMITHFIELD MARKET, EC1 – LEASE RENEWAL**
Members considered a Report of the City Surveyor.
12. **CITY'S ESTATE: NEW LETTING AT 6-8 EASTCHEAP (2ND,3RD, 4TH AND 5TH FLOORS)**
Members considered a Report of the City Surveyor.
13. **CITY'S ESTATE: 76-82 BREWERY ROAD, N7, RENT REVIEW**
Members considered a Report of the City Surveyor.
14. **CITY'S ESTATE: 59 1/2 SOUTHWARK STREET, SE1 - LONDON COUNCILS - RENT REVIEW AND LEASE EXTENSION**
Members considered a Report of the City Surveyor.
15. **CITY'S ESTATE : GATEWAY 7 OUTCOME REPORT - 53 NEW BROAD STREET, MAJOR REFURBISHMENT OF OFFICE BUILDING**
Members considered a Report of the City Surveyor.
16. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were several items of non-public business.

The meeting ended at 9.30 am

Chairman

Contact Officer: John Cater
john.cater@cityoflondon.gov.uk

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