

Corporate Asset Sub-Committee Terms of Reference

The Corporate Asset Sub Committee is responsible for the effective and sustainable management and strategic plans for the City of London Corporation's operational property portfolio; this includes the monitoring of capital projects, acquisitions and disposals, and the upkeep, maintenance and, where appropriate, furnishing for operational properties (including the Guildhall Complex). In addition, the Sub Committee is responsible for strategies, performance, and monitoring initiatives in relation to energy usage, and for monitoring and advising on bids for Heritage Lottery funding.

Composition

- Chairman and Deputy Chairman of the Finance Committee
- Chairman and Deputy Chairman of the Sub-Committee
- A maximum of Five additional Finance Committee Members
- Three members of the Policy and Resources Committee
- Three members of the Property Investment Board.

(Should any vacancies remain following the first meeting of each of these Committees, these will be made available to all Members to the Court of Common Council, to be appointed by the Finance Committee)

Chairmanship

- Chairman – To be nominated by the Chairman of the Finance Committee for approval by the Finance Committee.
- Deputy Chairman – To be appointed by the Chairman of the Sub-Committee for approval by the Finance Committee.

Terms of Reference

- To be responsible for the effective and sustainable management of the City of London Corporation's operational property portfolio, to help deliver strategic priorities and service needs, including;
 - agreeing the Corporate Asset Management Strategy;
 - responsibility for reviewing and providing strategic oversight of the Corporation's Asset Management practices and activities and advising Service Committees accordingly;
 - responsibility for reviewing and providing strategic oversight of the Corporation's Facilities Management practices and activities and advising Service Committees accordingly;
 - To maintain a comprehensive Property Database and Asset Register of information which can be used in the decision making process;
 - In line with Standing Orders 53 (Asset Management Plans) and 55 (Disposal of Surplus Properties) and the duties set out within legislation, including the Localism Act 2011 and the Housing and Planning Act 2016, to monitor the effective and efficient use of all operational property assets; and
 - Oversight of the management of operational leases with third parties, occupation by suppliers and those granted accommodation as benefits-in-kind.
 - 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

- To be responsible for the upkeep, maintenance and, where appropriate, furnishing for operational properties (including the Guildhall Complex) which do not fall within the remit of another Service Committee;
- To monitor major capital projects relating to operational assets to provide assurance about value for money, accordance with service needs and compliance with strategic plans;
- To recommend to the joint meeting of the Resource Allocation Sub-Committee and the Efficiency and Performance Sub-Committee the annual programme of repairs and maintenance works (including surveys, conservation management plans, hydrology assessments and heritage landscapes) planned to commence the following financial year, and to monitor progress in these works (when not included within the Project procedure).
- To be responsible for strategies, performance and monitoring initiatives in relation to energy;
- To monitor and advise on bids for Heritage Lottery funding.

From Standing Orders

PART 9 – Property

53. Corporate Plans and Strategies

1. The City of London Corporation shall develop and adopt corporate plans and strategies for the management and investment of its property assets as follows:-

a. Corporate Asset Management Plans which shall be subject to annual review by the Corporate Asset Sub-Committee and approval by the Policy & Resources Committee;

b. Investment Property Strategies which shall be subject to annual reports and regular review (not less than every three years) by the Property Investment Board, Finance and Policy & Resources Committees.

2. The corporate plans and strategies referred to in Standing Order Number 53 (1) shall be based on assumption that all property transactions are on open market terms.

3. All property transactions shall be made in accordance with the corporate plans and strategies referred to in Standing Order Number 53 (1).

4. Any proposed property transactions, including transactions which together form part of a series of transactions, that are not in accordance with the corporate plans and strategies referred to in Standing Order Number 53 (1) or are not based on open market terms shall be subject to the approval of,

a. the originating Committee and the Finance Committee;

b. the Court of Common Council if required by the parameters set out in Standing Orders Numbers 54, 56 (2), 57 (1)(b), 57 (2) and 58 (3).

54. Acquisitions

1. For the purpose of this Standing Order, the following definitions shall apply:-

investment property assets - properties within the remit of the Property Investment Board that are managed by City Surveyor as investments yielding Capital and/or revenue returns.

operational property assets - properties within the day to day control of committees that are held primarily for the provision of operational services by or on behalf of the City of London.

2. Acquisitions of interests in investment property assets shall follow the City's agreed Investment Property Acquisition Procedure and require the following approvals:-

City Fund:-	
Total Acquisition Costs	Approval by
Less than £5,000,000	Property Investment Board and Finance Committee
£5,000,000 and above	Property Investment Board, Finance Committee and Court of Common Council

City's Cash and Bridge House Estates:-	
Total Acquisition Costs	Approval by
Less than £5,000,000 (subject to funding being available in the relevant Designated Sales Pool)*	Property Investment Board and Finance Committee
£5,000,000 and above	Property Investment Board, Finance Committee and Court of Common Council

**If funding is not available in the relevant Designated Sales Pool the authority of the Court of Common Council shall also be required.*

3. Acquisitions of interests in operational property assets shall require the following approvals:-

Total Acquisition Costs	Approval by
Less than £2,500,000	Spending and Finance Committees
£2,500,000 and above	Spending and Finance Committees and Court of Common Council

55. Identification of Property Assets Surplus to Departmental Requirements

1. Committees are required to consider the effective and efficient use of all operational property assets. This will be monitored by the Corporate Asset Sub-Committee.

2. Where assets are no longer required, in whole or in part, for the provision of operational services for which they are currently held, a report on the circumstances must be made to the Corporate Asset Sub-Committee. This does not apply where lettings are an integral part of the service e.g. market or housing tenancies.

56. Freehold Disposals

1. Disposals of freeholds subject to 2000 year leases and of former freehold highway land shall be subject to the approval of the Property Investment Board (investment property assets) or the Finance Committee (for non-investment property assets).

2. All other freehold disposals shall require the following approvals:-

Anticipated Receipt		Approval By	
<i>Investment Property Asset</i>		<i>Non-Investment Property Asset</i>	
Less than £500,000	Property Investment Board	Finance Committee*	
£500,000 to less than £5,000,000	Property Investment Board and Finance Committee	Finance Committee	
£5,000,000 and above	Property Investment Board, Finance Committee and Court of Common Council	Corporate Asset Sub-Committee, Finance Committee and Court of Common Council	

**Or a Sub-Committee of the Finance Committee, if so delegated*

57. Leasehold Disposals/Surrenders

1. All lettings shall be subject to the following:-

a. lettings for a period of 25 years or less, including lease renewals and the grant of easements, wayleaves and similar arrangements as well as all rent reviews, shall be solely subject to the approval of the Committee having control of such property or any properly authorised Officer:-

b. the grant of any lease at less than full rack rental value for a period of 175 years or less (including optional extensions of term) shall require the approval of the Property Investment Board (*investment property assets*) or the Finance Committee (*for non-investment property assets*), any premium being subject to the approval of the following Committees:-

Anticipated Premium Receipt (1)		Approval By	
<i>Investment Property Asset</i>		<i>Non-Investment Property Asset</i>	
Less than £1,000,000	Property Investment Board	Finance Committee*	
£1,000,000 to less than £5,000,000	Property Investment Board and Finance Committee	Finance Committee	
£5,000,000 and above	Property Investment Board, Finance Committee and Court of Common Council	Corporate Asset Sub-Committee, Finance Committee and Court of Common Council	

**Or a Sub-Committee of the Finance Committee, if so delegated*

(1) For the purpose of these Standing Orders 'receipt' means receipt by the City of London Corporation.

58. Variations

1. Minor variations (i.e. those which do not affect the open market value of the property) to the terms of ground lease restructurings, disposals, acquisitions and other transactions, or to leases being taken by the City of London Corporation as tenant, and where the variations are necessary to complete the transaction expediently shall be subject solely to the approval of the Committee having control of such property or any properly authorised Officer.

2. Any variation to the terms of an existing lease, tenancy, licence or other agreement relating to property which either,

a. does not affect the value of the income from such lease or tenancy by more than plus or minus 10%; or,

b. involves a premium receipt of no less than £100,000;

shall be subject to the approval of the Committee having control of such property.

3. All other variations shall require the additional approval of the Finance Committee unless the premium receipt is £5,000,000 or above in which case the authority of the Court of Common Council shall also be required.

59. Disposals Subject to Planning Agreements

When land held by the City of London Corporation as freeholder is approved for the redevelopment subject to a planning agreement under Section 106 of the Town & Country Planning Act 1990, the following shall be solely subject to the approval of the Committee having control of such property or any properly authorised Officer:-

a. the inclusion of a condition within any disposal that the freeholder or lease holder must adhere to the terms of the planning agreement; and,

b. consenting to the City Corporation's land being bound by the planning obligations in the planning agreement.