City of London Corporation Committee Report

Committee(s): Policy and Resources Committee – For Decision Court of Common Council – For Decision	**Dated:** 8 May 2025 22 May 2025
Subject: Investment governance – Standing Order Revisions	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes**	All outcomes - the City Corporation's investment portfolio provides the financing behind delivery of the Corporate Plan outcomes
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of:	Town Clerk
Report author:	Ben Dunleavy

Summary

The thresholds for investment property transactions (acquisitions and disposals) are set out in Part 8 of the Standing Orders, and have not been reviewed for some time. In the interests of creating more agile and dynamic decision-making, and following consideration by the Investment and Finance Committees and the City Bridge Foundation Board, it is recommended that the thresholds are increased so that greater power is delegated to officers and the relevant Committees.

Recommendation(s)

Members of the Policy and Resources Committee are asked to approve the following the proposed changes in the Standing Orders, for onward recommendation to the Court of Common Council:

- Change the investment property transaction thresholds in Standing Orders as set out at paragraph 5, and in Appendix 1
- Authorise the Town Clerk to make the necessary amendments to the City Surveyor's Scheme of Delegations

Main Report

Background

1. The thresholds for property transactions (both investment and operational) are contained at Part 9 of the Standing Orders (SO 55, 57 and 58). This report refers only to the investment property assets for City Fund, City's Estate and City Bridge Foundation Board as defined at SO 55.1 (i.e. not including operational property assets). However, for clarity, the full Standing Order is also included in the relevant appendices.
2. The current thresholds, as set out at Appendix 2a, generally require approval from the Court of Common Council for all transactions of £5m and above. The lower limits vary, but generally transactions between £1m and less than £5million also require approval from the Investment and Finance Committees for City's Estate and City Fund properties or the City Bridge Foundation Board for properties held by the charity. Smaller transactions are delegated to officers.
3. The current thresholds have stood for some time, and in 2024 Members of both the Investment and Finance Committees directed officers to review the thresholds for investment property transactions in the Standing Orders, as the current thresholds had stood for some time. Members of the Resource Allocation Sub-Committee, at their informal annual away day in 2024, also noted that the current arrangements hindered the dynamic management of the investment property portfolio, especially at a time when funds were required to support the City Corporation's capital commitments.

Current Position

4. At their February meetings, the Investment and Finance Committees and the City Bridge Foundation Board were presented with proposed revisions to the Standing Orders, as part of wider reports on investment governance and the City Bridge Foundation Board's governance arrangements respectively.
5. The presented revisions proposed an increase in the thresholds for investment property transactions in the relevant Standing Orders, so that all transactions below £20million would be approved under delegation to officers. Transactions of £20million to less than £50million would require approval from the relevant Committees, while any transactions of £50million and over would require further approval from the Court of Common Council.
6. All three Committees supported the proposed increases. It was noted that the changes would allow for more dynamic management of the investment portfolios, as the increased authorisation to officers would allow for decisions on property transactions to be made in a more agile manner, while still allowing Members to retain oversight of the strategic direction of the investment portfolio.
7. The City Bridge Foundation Board separately agreed to include in the Standing Orders relevant to the charity that the Board would have the power to further delegate approval of transactions of £20million to less than £50million to its sub-committees.
8. The Investment and Finance Committees noted that the City Surveyor's Scheme of Delegations would also need to be amended to incorporate the amended delegation in respect of City Fund and City's Estate property acquisitions and

disposals, and it is proposed to recommend to the Court that the Town Clerk is authorised to make these amendments.

9. The Committees were also asked to consider if, in the long-term, the thresholds for property transactions should be separated out from the Standing Orders into a set of guidelines, similar to the Procurement Code, with authority to amend this delegated by the Court to relevant Committees. However, no view was taken on this matter.

Corporate & Strategic Implications

Strategic implications

10. The changes will support the delivery of the Corporate Plan 2024-2029 through improving the governance around the City Corporation's investments which help provide funding for the services in the Corporate Plan and in supporting the Investment Strategy, and City Bridge Foundation's Strategic Properties Priority.

Financial implications

11. The changes would not require any additional spending.

Resource implications

12. The recommendations will not require any additional resource. Raising the Standing Order thresholds would also reduce the number of transaction reports written by officers for Committee approval.

Legal implications

13. Comments from the Comptroller and City Solicitor's department were incorporated into the report submitted to the Finance and Investment Committees.

Equalities implications

14. The proposals in the report will not have any impact (positive or negative) on people protected by existing equality legislation.

Climate implications

15. There are no climate implications.

Security implications

16. There are no security implications.

Conclusion

17. The recommended revisions to the above aspects of the governance of the City Corporation's investment assets will allow for more agile and dynamic decision-making at a time when the City Corporation is required to draw on its investment portfolio to support a range of activities, including its capital programme.

Appendices

Deletions are in the appendices are marked by being struck through; additions are underlined

- Appendix 1 – Revisions to Standing Orders

Ben Dunleavy
Governance and Member Services Manager

E: ben.dunleavy@cityoflondon.gov.uk