

Report – Policy & Resources Committee

Standing Order Revisions – Property Transaction Thresholds

To be presented on Thursday, 22nd May 2025

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY

The thresholds for investment property transactions are set out in Part 9 of the Court of Common Council's Standing Orders. In the interests of facilitating more agile and dynamic decision-making in accordance with set strategic direction, and following consideration by your Investment and Finance Committees, and the City Bridge Foundation Board, your Policy and Resources Committee recommends that the thresholds are uplifted as set out in Appendix 1.

RECOMMENDATION

The Court of Common Council is **recommended** to:

- Approve the changes to the property transaction thresholds in Standing Orders as set out at paragraph 5, and in Appendix 1; and
- Authorise the Town Clerk to make the necessary amendments to the Officer Scheme of Delegations, in accordance with these revisions.

MAIN REPORT

Background

1. The thresholds for property transactions (both investment and operational) are contained at Part 9 of the Standing Orders (55, 57 and 58). This report refers to the investment property assets for City Fund and City's Estate as defined at Standing Order 55(1) (i.e. not including operational or non-investment property assets), and all assets for City Bridge Foundation.
2. The current thresholds generally require approval from the Court of Common Council for all transactions with a value 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. These thresholds have stood for some time, and in 2024 Members of both your Investment and Finance Committees directed officers to review the thresholds for investment property transactions. Your City Bridge Foundation Board undertook a

similar exercise. 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.

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. All three Committees supported the proposed increases, which were subsequently put forward to the Policy and Resources Committee in accordance with Standing Order 3(1).

Current position

5. Your Policy and Resources Committee considered the proposals at its meeting in May, and agreed to recommend them to the Court of Common Council.
6. The presented revisions propose an increase in the thresholds for investment property transactions in the relevant Standing Orders, so that all transactions below £20m would be approved under delegation to officers. Transactions of £20m to less than £50m would require approval from the relevant Committees, while any transactions of £50m and over would require further approval from the Court of Common Council. The City Bridge Foundation Board also approved increases for the assets under its purview by the same amounts, covering both investment and non-investment property assets.
7. It was also noted that the City Bridge Foundation Board had separately agreed to include in the Standing Orders as relevant to the charity that the Board would have the power to further delegate approval of transactions between £20m and less than £50m to its sub-committees.
8. All Committees noted the view that 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.
9. Under Standing Order 52(1) and (3), all transactions [whether authorised by officer or by committee] shall be made in accordance with the agreed Investment Property Strategy. Approval of this strategy (for City's Estate and City Fund properties) resides with Policy and Resources Committee, Investment Committee and Finance Committee. Approval of the investment and corporate asset strategies for City Bridge Foundation properties, resides with the City Bridge Foundation Board. This remains unchanged.
10. At the Policy and Resources Committee meeting the City Surveyor confirmed that a robust, transparent and auditable process for officer decisions would be implemented and that Members would be able to monitor decisions exercised by officers in relation to each Fund via an appropriate committee reporting mechanism.
11. Your Committees noted that the Officer 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 that the Town Clerk is authorised to make these amendments.

12. 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 at the time.

Corporate & Strategic Implications

Strategic implications

13. 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 Investment Strategy and Strategic Properties Policy.

Financial implications

14. The changes would not require any additional spending.

Resource implications

15. 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, though as noted above the City Surveyor is developing a procedure for reporting back to Committees.

Legal implications

16. Comments from the Comptroller and City Solicitor's Department have been incorporated into this report.

Equalities implications

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

Climate implications

18. There are no climate implications.

Security implications

19. There are no security implications.

Conclusion

20. The recommended revisions to the Standing Orders governing property transactions will allow for more agile and dynamic decision-making at a time when the City Corporation is required to draw on its property portfolio to support a range of activities, including its capital programme.

Appendices

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

- Appendix 1 – Revisions to Standing Orders

All of which we submit to the judgement of this Honourable Court.

DATED this 8th day of May 2025.

SIGNED on behalf of the Committee.

Deputy Christopher Michael Hayward
Chairman, Policy & Resources Committee