

Draft Standing Order Revisions (Part 9 – Property)

Key:

- Text with ~~strike through~~ denotes proposed deletions
- Text underlined denotes proposed additions

PART 9 – Property**55. Acquisitions**

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

City Fund & City's Estate: -

- “investment property assets” - properties within the remit of the Investment Committee that are managed by the 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.

City Bridge Foundation: -

- “investment property assets” properties, whether endowment or invested income funds, which are managed by the City Surveyor as investments yielding capital and/or revenue in accordance with the investment strategies and policies set for the charity.
- “operational property assets” properties which are held for use by the charity.

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

City Fund: -

Total Acquisition Costs	Approval by
Less than £ <u>20,000,000</u> £5,000,000*	<u>Officer Delegation</u>
<u>£20,000,000 to less than £50,000,000</u> £5,000,000 and above	Investment Committee <u>and</u> Finance Committee and Court of Common Council
<u>£50,000,000 and above</u>	Investment Committee, Finance Committee and Court of Common Council

City's Estate: -

Total Acquisition Costs	Approval by
Less than £20,000,000 £5,000,000 (subject to funding being available in the relevant Designated Sales Pool)*	<u>Officer Delegation</u>
<u>£20,000,000 to less than £50,000,000</u> £5,000,000 and above	Investment Committee <u>and</u> Finance Committee and Court of Common Council
<u>£50,000,000 and above</u>	Investment Committee, Finance Committee and Court of Common Council

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

City Bridge Foundation: -

Total Acquisition Costs	Approval by
Less than £20,000,000 £5,000,000 (subject to funding being available in the relevant Designated Sales Pool)*	<u>Officer Delegation</u>
<u>£20,000,000 to less than £50,000,000</u>	<u>City Bridge Foundation Board (or by a sub-committee where delegated by the Board)</u>
£5,000,000 and above <u>£50,000,000 and above</u>	City Bridge Foundation Board and Court of Common Council

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

- Acquisitions of interests in operational property assets, and for City Bridge Foundation this includes a decision to re-purpose investment property as an operational property asset, shall require the following approvals: -

City Fund & City's Estate:

Total Acquisition Costs	Approval by
Less than £2,500,000	Spending Committee and Resource Allocation Sub-Committee
£2,500,000 and above	Spending Committee and Resource Allocation Sub-Committee and Court of Common Council

City Bridge Foundation: -

Total Acquisition Costs	Approval by
Less than £2,500,000	City Bridge Foundation Board <u>Officer Delegation</u>
<u>£2,500,000 to less than £10,000,000</u>	<u>City Bridge Foundation Board (or by a sub-committee where delegated by the Board)</u>
£2,500,000 <u>£10,000,000</u> and above	City Bridge Foundation Board and Court of Common Council

56. Identification of Property Assets Surplus to Departmental and/or Operational Requirements

1. Committees are required to consider the effective and efficient use of all operational property assets within their management and control. For City Bridge Foundation property this will be monitored by the City Bridge Foundation Board.
2.
 - (a) For City Fund and City's Estate operational property, 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 Resource Allocation Sub-Committee. This does not apply where lettings are an integral part of the service e.g. market or housing tenancies.
 - (b) For City Bridge Foundation operational property, where assets are no longer required for use by the charity, a report on the circumstances must be made to the City Bridge Foundation Board.

57. Freehold Disposals

1. Disposals of freeholds subject to 2000 year leases and of former freehold highway land shall for City Bridge Foundation be subject to the approval of

the City Bridge Foundation Board.

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

City Fund and City's Estate: -

Anticipated Receipt	Approval by
Less than £ 20 ,000,000 £1,000,000	Officer Delegation
£5-20 ,000,000 <u>and above to less than £50,000,000</u>	<u>Investment Committee</u> and Finance Committee
<u>£50,000,000 and above</u>	Investment Committee, Finance Committee and Court of Common Council

City Bridge Foundation: -

Anticipated Receipt	Approval By	
	<i>Investment Property Asset</i>	<i>Non-Investment Property Asset</i>
Less than £5,000,000	City Bridge Foundation Board <u>Officer Delegation</u>	Officer Delegation
<u>£5,000,000 to less than £50,000,000</u>	<u>City Bridge Foundation Board (or by a sub-committee where delegated by the Board)</u>	<u>City Bridge Foundation Board (or by a sub-committee where delegated by the Board)</u>
£5,000,000 <u>£50,000,000</u> and above	City Bridge Foundation Board and Court of Common Council	City Bridge Foundation Board and Court of Common Council

58. Leasehold Disposals/Surrenders

1. All lettings shall be subject to the following: -
 - (a) lettings for a period of 30 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 (under the scheme of delegations): -
 - (c) for City Bridge Foundation 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 City Bridge Foundation Board, any premium being subject to the following approvals: -

City Fund and City's Estate: -

Anticipated Premium Receipt (1) (2)	Approval By	
	<i>Investment Property Asset</i>	<i>Non-Investment Property Asset - [not currently subject to CoLC review]</i>
Less than £2,500,000		Officer Delegation
£2500,000 to less than £5,000,000		Resource Allocation Sub-Committee
£5,000,000 and above		Resource Allocation Sub-Committee and Court of Common Council
Less than £ 20,000,000 £2,500,000	Officer Delegation	
£20,000,000 to less than £50,000,000 £2,500,000 to less than £5,000,000	<u>Investment Committee</u> and Finance Committee	
<u>£50,000,000 and above</u>	Investment Committee, Finance Committee and Court of Common Council	

City Bridge Foundation: -

Anticipated Premium Receipt (1) (2)	Approval By	
	<i>Investment Property Asset</i>	<i>Non-Investment Property Asset</i>
Less than £5,000,000	Officer Delegation	Officer Delegation
<u>£5,000,000 to less than £50,000,000</u>	<u>City Bridge Foundation Board (or by a sub-committee where delegated by the Board)</u>	<u>City Bridge Foundation Board (or by a sub-committee where delegated by the Board)</u>
£5,000,000 and above <u>£50,000,000 and above</u>	City Bridge Foundation Board and Court of Common Council	City Bridge Foundation Board and Court of Common Council

(1) For the purpose of these Standing Orders 'receipt' means receipt by the City of London Corporation. (2) And where the rent is no more than £1,000,000

- a. the granting of long leases for a peppercorn rent without a premium, where there are no additional financial implications, for example, leases for substations with UKPN, will be approved as per the Scheme of Delegations to officers.

59. 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 (whether as trustee of City Bridge Foundation or otherwise), 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. Other variations to the terms of an existing lease, tenancy, licence or other agreement relating to property shall be subject to the following approvals:

City Fund and City's Estate: -

Variation to lease income*	Premium Receipt*	Approval by
Less than plus or minus 15%	Less than 12 months' income	Officer delegation
More than plus or minus 15%	More than 12 months' income	Committee controlling the property and Finance Committee.
-	Any premium more than £2,500,000	Committee controlling the property, Finance Committee and Court of Common Council

City Bridge Foundation: -

Variation to lease income*	Premium Receipt*	Approval by
Less than plus or minus 15%	Less than 12 months' income	Officer Delegation
More than plus or minus 15%	More than 12 months' income	City Bridge Foundation Board
-	Any premium more than £2,500,000 <u>£20,000,000</u>	City Bridge Foundation Board and Court of Common Council

**Whichever is the higher value between the variation to lease income and anticipated premium receipt.*