

City of London Corporation Committee Report

Committee(s): Investment Committee – For decision Finance Committee – For decision Policy & Resources Committee – For Decision	Dated: 21 July 2025 16 September 2025 18 September 2025
Subject: Investment governance update	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:	City Surveyors (CS 170/25) Town Clerk
Report author:	Robert Murphy Ben Dunleavy

Summary

The Court of Common Council approved increases to the thresholds for investment property transactions as set out in Standing Orders at its meeting in May 2025, on the recommendation of the Policy & Resources Committee following consideration by the Investment and Finance Committees. One effect of changes was to raise the threshold under which transactions could be approved under officer delegation to £20 million. As part of the approval process, officers undertook to return to Members with further information on the internal procedure that will be applied for taking those delegated decisions. This report explains the procedure and also seeks approval for an additional amendment to the Standing Orders to include leasehold restructurings.

Recommendation(s)

Members are asked to note the procedure for approving investment property transactions as set out at paragraph 5 and 2.

Members of the Investment and Finance Committees are asked to endorse the following to the Policy and Resources Committee, for onward recommendation to the Court of Common Council:

- Amend the thresholds for investment property transactions in Standing Orders as set out at paragraphs 3 to 5 and in Appendix 1.
- Authorise the Town Clerk to make the necessary amendment to the Scheme of Delegation to Officers to give effect to these changed thresholds.

Main Report

Property transaction thresholds

Delegated Authority Procedure

Background

1. The thresholds for property transactions (both investment and operational) are contained at Part 9 of the Standing Orders. In 2024, Members at various meetings directed officers to review these thresholds as they 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.
2. At their February 2025 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. They endorsed the recommendations to increase the thresholds 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. This was subsequently recommended by the Policy & Resources Committee to the Court of Common Council and approved in May 2025.
3. Members supported the changes as it was felt they would allow for more dynamic management of the investment portfolios; 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.
4. Members also noted that delegation procedure controls would be reviewed and updated proportionally, and that officers would return with an update on these.

Current Position

5. The City Surveyor has reviewed the delegation procedure controls for City's Estate and City Fund, to be applied as follows:
 - a. The Annual Plan for both City Fund and City Estate to include the planned property interests for disposal.
 - b. If an acquisition or a disposal which has not been included in the Annual Plan is brought forward, approval to the principle of the transaction is to be agreed by the City Surveyor and Chamberlain.
 - c. The terms of transactions of up to a value of £10 million value is subject to the approval of the Director Investment Property Group.
 - d. The terms of transactions of between £10 million and £20 million value is subject to the approval of the City Surveyor.
 - e. All transactions will be subject to verification by the Valuation Panel.

- f. The Terms of Reference for the Valuation Panel for investment property transactions will be extended to include approval of the rationale, terms and value of the transaction.
- g. All proposed transactions will be subject to a report similar to a Committee Report which will be circulated for consultation across all the relevant departments specifically including the Chamberlain, City Surveyor, Comptroller and City Solicitor, Town Clerk.
- h. Town Clerk and City Surveyor will establish a system for auditing and recording all transactions within this procedure.
- i. Investment and Finance Committees will be notified of all transaction under delegated authorities in accordance with the current practice of updating on actions taken under delegation.

Proposed update to approved increases to the thresholds for investment property transactions

- 6. The thresholds for property transactions (both investment and operational) are contained at Part 9 of the Standing Orders (SO 54, 56 and 57.)
- 7. This report refers only to the investment property assets for City Fund and City's Estate as defined at SO 54.1 and does not include operational property assets or those managed for City Bridge Foundation.
- 8. Leasehold Restructurings, set out in SO 57, currently require that the grant of any lease at less than full rack rent of 175 years or less is subject to the approval of the Investment Committee. The recommendation is to add grants of leases of at less than full rack rent of less than 175 years with premiums to be subject to the same delegation to officers.
- 9. For clarity, the changes to the Standing Order is included in the relevant appendices.
- 10. The approved increases to the thresholds for investment property transactions changes Standing Orders, so that all transactions below £20m would be approved under delegation to officers, with transactions of £50m and over requiring approval from the Court of Common Council. All transactions between these two limits would require approval from both the Investment and Finance Committees. The City Surveyor Scheme of Delegations is to be amended to incorporate the amended delegation in respect of City Fund and City's Estate property acquisitions and disposals.
- 11. Members 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 the Investment, Finance and Policy and Resources Committees; however, no opinion was given on this.

Corporate & Strategic Implications

Strategic implications

- 12. 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.

Financial implications

13. The changes would not require any additional spending.

Resource implications

14. 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

15. The Comptroller and City Solicitor's department has been consulted, and their comments incorporated in the report.

Equalities implications

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

Climate implications

17. There are no climate implications.

Security implications

18. There are no security implications.

Conclusion

19. 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