

Report – Policy and Resources Committee

Investment governance update

To be presented on Thursday 9th October 2025

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

SUMMARY

In May 2025, the Court of Common Council approved changes to the thresholds for investment property transactions as set out in Standing Orders, with the effect of raising the threshold by which transactions could be approved under officer delegation. However, the approval threshold for leasehold transactions at Standing Order 57 was omitted from these changes. Accordingly, and with the support of your Investment and Finance Committees, your Policy and Resources Committee recommends approval for additional amendments to the Standing Orders to raise the thresholds for leasehold transactions.

RECOMMENDATION

That Honourable Members agree to:

- Amend the thresholds for investment property transactions in Standing Orders as set out at paragraphs 4 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

1. The thresholds for property transactions (both investment and operational) are contained at Part 9 of the Standing Orders (SO). The proposals in this report refer 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.
2. In 2024, Members at various meetings directed officers to review the investment thresholds as they had stood for some time. 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 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. SO 57(1)(b) currently requires 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 and Finance Committees. These thresholds were omitted from the original report in May. Accordingly, for completeness, your Investment and Finance Committees were approached to update these thresholds in line with the other rise, as outlined in Appendix 1. They endorsed a proposal to update SO 57 to allow for the grants of leases at less than full rack rental value to be delegated to officers, with any premium subject to the same thresholds as the amended thresholds detailed at paragraph 2 of this report.
5. As the Policy & Resources Committee is responsible for governance arrangements, the proposed changes were submitted to its meeting in September. The Committee agreed to recommend the amendments for approval by the Court of Common Council.

Conclusion

6. The recommended revisions, as endorsed by your Investment and Finance Committees, will support the previous changes made to the Standing Orders governing investment property transactions, which aim to provide for more agile and dynamic decision-making.

Appendices

Deletions are 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 18th day of September 2025.

SIGNED on behalf of the Committee.

Deputy Christopher Michael Hayward
Chairman, Policy and Resources Committee