



## Bridge House Estates Board

**Date:** WEDNESDAY, 24 NOVEMBER 2021  
**Time:** 11.00 am  
**Venue:** VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

**Members:** Deputy Dr Giles Shilson (Chair)  
Dhruv Patel (Deputy Chair)  
Henry Colthurst  
Alderman Professor Emma Edhem  
Alderman & Sheriff Alison Gowman  
Deputy Jamie Ingham Clark  
Paul Martinelli  
John Petrie  
Judith Pleasance  
Deputy Henry Pollard

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### Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://youtu.be/T0LquSoFXXU>

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

**John Barradell**  
Town Clerk

# AGENDA

## Part 1 – Public Agenda

1. **APOLOGIES**

2. **MEMBERS' DECLARATION UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES\***

To agree the public minutes and non-public summary of the meeting held on 15 September 2021.

**For Decision**  
(Pages 7 - 14)

### **Cross-Cutting Strategic Ambitions and Governance**

4. **MANAGING DIRECTOR'S UPDATE REPORT**

Report of the Managing Director of Bridge House Estates (BHE)

**For Information**  
(Pages 15 - 20)

5. **BRIDGING LONDON STRATEGY 2020 - 2045; YEAR ONE ANNUAL PROGRESS REPORT, 2020/21**

Report of the Managing Director of BHE

**For Decision**  
(Pages 21 - 50)

### **Finance**

6. **CAPITAL FUNDING - PRIORITISATION OF 2022/23 ANNUAL CAPITAL BIDS - INITIAL REVIEW**

Report of the Chamberlain

**For Decision**  
(Pages 51 - 60)

7. **CAPITAL FUNDING UPDATE\***

Report of the Chamberlain

**For Decision**  
(Pages 61 - 72)

**8. BHE BUDGET UPLIFT REQUEST - STAFFING**

Report of the City Surveyor

**For Decision**  
(Pages 73 - 76)

**9. UPDATE ON BHE CONTINGENCY FUNDS**

Report of the Managing Director of BHE and the Chamberlain

*To be received in conjunction with the non-public appendix at Item 15.*

**For Information**  
(Pages 77 - 80)

**10. BUDGET MONITORING: 1 APRIL TO 30 SEPTEMBER 2021**

Report of the Chamberlain

**For Information**  
(Pages 81 - 88)

**Investments**

**11. PROGRESS UPDATE - MINIMUM ENERGY EFFICIENCY STANDARDS & NET ZERO CARBON ACTION PLAN\***

Report of the City Surveyor

**For Information**  
(Pages 89 - 94)

**Other**

**12. ANY OTHER BUSINESS**

**13. EXCLUSION OF THE PUBLIC**

MOTION – With the Court of Common Council for the City Corporation as Trustee of Bridge House Estates (Charity No. 1035628) having decided to treat these meetings as though Part VA and Schedule 12A of the Local Government Act 1972 applied to them, it now be moved that the public be excluded from the meeting for the following items of business on the grounds that their consideration will in each case disclose exempt information of the description in paragraph 3 of Schedule 12A, being information relating to the financial and business affairs of any person (including the City Corporation as Trustee of the charity) which it would not be in the charity's best interests to disclose.

**For Decision**

## Part 2 - Non-Public Agenda

**14. NON-PUBLIC MINUTES\***

To agree the non-public minutes of the meeting held on 15 September 2021.

**For Decision**  
(Pages 95 - 102)

**15. NON-PUBLIC APPENDICES - CENTRAL CONTINGENCIES BUDGET UPDATE**

To be received in conjunction with the report at Item 9.

**For Information**  
(Pages 103 - 104)

### Cross-Cutting Strategic Ambitions and Governance

**16. BRIDGE HOUSE ESTATES PRINCIPAL RISK REGISTER**

Report of the Managing Director of BHE

**For Decision**  
(Pages 105 - 148)

### Primary Object - Bridges

**17. BRIDGE UPDATE REPORT: 50-YEAR MAINTENANCE PLAN AND REPLACEMENT STRATEGY**

Report of the Executive Director of Environment

**For Information**  
(Pages 149 - 154)

**18. TOWER BRIDGE HALF YEAR PERFORMANCE REPORT APRIL TO SEPT 2021**

Report of the Executive Director of Environment

**For Information**  
(Pages 155 - 162)

**19. SECURE CITY PROGRAMME BRIEFING TO BRIDGE HOUSE ESTATES BOARD**

Report of the Executive Director of Environment and the Commissioner of the City of London Police

**For Information**  
(Pages 163 - 174)

**20. SECURE CITY PROGRAMME (SCP) - VIDEO MANAGEMENT SYSTEM (VMS)\***

Report of the Executive Director of Environment and the Commissioner of the City of London Police

**For Information**  
(Pages 175 - 196)

## Finance

**21. DELEGATED AUTHORITY REQUEST: APPROVAL OF THE 2020/21 ANNUAL REPORT AND FINANCIAL STATEMENTS**

Report of the Chamberlain and the Managing Director of BHE

**For Decision**  
(Pages 197 - 198)

## Investments

**22. UPDATE TO BRIDGE HOUSE ESTATES TRANSITIONAL INVESTMENT STRATEGY STATEMENT**

Report of the Managing Director of BHE

**For Decision**  
(Pages 199 - 220)

**23. 64/65 LONDON WALL - RE-COVERING AND REPLACEMENT OF ROOF - BRIDGE HOUSE ESTATES**

Report of the City Surveyor

**For Decision**  
(Pages 221 - 230)

**24. REFURBISHMENT OF TOWER CHAMBERS, 74 MOORGATE, EC2 - BRIDGE HOUSE ESTATES**

Report of the City Surveyor

**For Decision**  
(Pages 231 - 248)

**25. BRIDGE HOUSE ESTATES (BHE): ARREARS OF RENT AS AT SEPTEMBER 2021 QUARTER DAY MINUS 1**

Report of the City Surveyor

**For Decision**  
(Pages 249 - 262)

**26. BRIDGE HOUSE ESTATES RENTAL ESTIMATES MONITORING REPORT\***

Report of the City Surveyor

**For Information**  
(Pages 263 - 268)

**27. BRIDGE HOUSE ESTATES - QUARTERLY DELEGATED AUTHORITIES UPDATE - 1ST JULY 2021 TO 30TH SEPTEMBER 2021\***

Report of the City Surveyor

**For Information**  
(Pages 269 - 274)

- 28. BRIDGE HOUSE ESTATES - 64-65 LONDON WALL, EC2 - FREEHOLD DISPOSAL - TO FOLLOW**  
Report of the City Surveyor

**For Decision**

- 29. INVESTMENT PERFORMANCE MONITORING TO 31 SEPTEMBER 2021: BRIDGE HOUSE ESTATES\* - TO FOLLOW**  
Report of the Chamberlain

**For Information**

- 30. DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY\***  
Report of the Town Clerk

**For Information**  
(Pages 275 - 276)

- 31. ANY OTHER BUSINESS WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

### **Part 3 - Confidential Agenda**

- 32. CONFIDENTIAL MINUTES\***  
To agree the confidential minutes of the meeting held on 15 September 2021.

**For Decision**

*NB: Certain non-contentious matters for information have been marked \* with recommendations to be agreed without discussion, unless the Committee Clerk has been informed that a Member has questions or comments prior to the start of the meeting.*

## BRIDGE HOUSE ESTATES BOARD

Wednesday, 15 September 2021

Minutes of the meeting of the Bridge House Estates Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall and via Microsoft Teams on Wednesday, 15 September 2021 at 1.45 pm

### Present

#### Members:

Deputy Dr Giles Shilson (Chair)  
Dhruv Patel (Deputy Chair)  
Henry Colthurst  
Alderman & Sheriff Alison Gowman  
Deputy Jamie Ingham Clark  
Paul Martinelli  
John Petrie  
Judith Pleasance

#### Officers:

David Farnsworth	- Managing Director of Bridge House Estates
Douglas Trainer	- Deputy Town Clerk & Chief Executive
Simon Latham	- Town Clerk's Department
Karen Atkinson	- Chamberlain's Department
Anne Pietsch	- Comptroller & City Solicitor's Dept.
Nicholas Gill	- City Surveyor's Department
Paul Monaghan	- Department of the Built Environment
Ola Obadara	- City Surveyor's Department
Jon Averbs	- Director of Markets & Consumer Protection
Christopher Earlie	- Head of Tower Bridge
Samantha Grimmett-Batt	- City Bridge Trust
Sandra Jones	- City Bridge Trust
Ruth Kocher	- Department of the Built Environment
Lorenzo Conigliaro	- City of London Police
Catherine Mahoney	- City Bridge Trust
Fiona Rawes	- City Bridge Trust
Neil Robbie	- City Surveyor's Department
Gordon Roy	- Department of the Built Environment
Simi Shah	- Innovation & Growth
Tim Wilson	- City Bridge Trust
Paul Wright	- Deputy Remembrancer
Scott Nixon	- City Bridge Trust
Joseph Anstee	- Town Clerk's Department

1. **APOLOGIES**

Apologies for absence were received from Deputy Henry Pollard.

2. **MEMBERS' DECLARATION UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

3. **BOARD MINUTES\***

**RESOLVED** – That the public minutes and non-public summary of the meeting held on 14 July 2021 be agreed as a correct record.

4. **MANAGING DIRECTOR'S REPORT**

The Board received a report of the Managing Director of Bridge House Estates (BHE) providing an update on key areas of activity across the whole charity since the Board's last meeting in July 2021 and outlining upcoming activities for the Board to note.

Tower Bridge

The Board noted a recent technical issue with the Bridge's automated control system, which had been resolved. The Chair commented that it was key that lessons were learned in order to prevent such issues going forward. The Head of Tower Bridge advised that whilst the control system was not at the end of its life, it was intended to upgrade the system in alignment with the ongoing HV System project.

A Member commented that there had been other recent issues at Tower Bridge, which were highly publicised, and the Board sought assurance that sufficient planning and budget were in place for predicted maintenance over the longer-term. The Head of Tower Bridge explained that plans were in place to overhaul the full HV System, with some work having been brought forward. The Board noted that work had been done to assess the funding required for the maintenance of the bridges over the long-term.

The Chair advised that a report on the Risk Register for the charity, which would include risks in respect of the bridges, was expected at the next Board meeting in November.

City Bridge Trust (CBT) Activity Update

The Board received an update on CBT's response to the impact on London's Afghan community and refugees of the crisis in Afghanistan. The Managing Director of BHE advised that whilst the scale of the planned resettlement scheme had not been confirmed, as over half of the Afghan community in the UK lived in London, it was likely many would seek resettlement in London. There were several areas where CBT could provide support and the Trust had a longstanding association with Afghan organisations through which support could also be provided. The Managing Director of BHE added that officers were actively working in this area.



**RESOLVED** – That the report be noted.

5. **APPOINTMENTS TO THE GRANTS COMMITTEE OF THE BRIDGE HOUSE ESTATES BOARD**

The Town Clerk advised that following the previous meeting of the Board, four Members of the Board had confirmed their willingness to serve on the Grants Committee, with the Chair of the Board also intending to attend meetings. The Town Clerk further advised that the Court of Common Council had approved the Board's proposed protocol for co-option, also approving the Board's recommendation to appoint Jannat Hossain and William Hoyle, formerly Co-opted Members of the City Bridge Trust Committee, to the Grants Committee to serve as co-opted members of the Committee until the next municipal year.

The Board was then asked to elect a Chair and Deputy Chair of the Grants Committee. Expressions of interest were sought in serving as Chair and Paul Martinelli, being the only Member indicating willingness to serve, was duly elected as Chair of the Grants Committee. Expressions of interest were then sought in serving as Deputy Chair of the Grants Committee, and Dhruv Patel, being the only Member indicating willingness to serve, was duly elected as Deputy Chair of the Grants Committee. The Chair then thanked and congratulated the newly-elected Chair and Deputy Chair.

**RESOLVED** – That the Bridge House Estates Board:

- a) Appoint Alderman Alison Gowman, Paul Martinelli, Dhruv Patel and Judith Pleasance to the Grants Committee of the BHE Board; and
- b) Appoint Paul Martinelli as Chair of the Grants Committee of the BHE Board, and Dhruv Patel as Deputy Chair of the Grants Committee of the BHE Board.

It was also,

**RESOLVED UNANIMOUSLY:** That the Members of the Bridge House Estates Board express their sincere thanks and appreciation to:

DHRUV PATEL

for the manner in which he presided over the deliberations of the City Bridge Trust Committee for the last two years and the commitment he has demonstrated towards all aspects of the Trust's work.

Under Dhruv's stewardship, the City Bridge Trust Committee considered almost 500 Bridging Divides applications and awarded over £55m in funding, including a significant number of larger, longer grants. His imagination and enthusiasm as Chair, and his understanding and strategic oversight have driven the Trust with a clear and expansive focus, despite the unprecedented pressures and impact on the charitable sector of the last eighteen months.

Dhruv has been a strong ambassador for City Bridge Trust, devoting considerable time to visiting organisations and promoting the work of the Trust through the media, and has been incredibly supportive of the Trust's officers. Dhruv has been an active champion for the development of the Committee's equalities work, and he has ensured that so many organisations and communities across London have been supported by the Trust, during the most testing circumstances.

As Chair, he promoted a dynamic and collaborative approach that has helped to introduce new ideas and ways of working to City Bridge Trust, and to the wider charitable sector. This was never more significant than his leadership in establishing the London Community Response Fund, which brought more than sixty funders together to react to the emergency of COVID-19. During his tenure, the Fund worked at invaluable pace to distribute over 1650 grants, totalling more than £30m in funding, and later moving towards meeting the longer-term needs of the sector, by improving the sustainability of organisations in light of the very different operating context they will face. Despite other significant calls on his time, throughout the pandemic he has always been available to help the Trust in its work, both directly and through the London Community Response Fund.

Furthermore, Dhruv has been instrumental in the implementation and progress of the Bridging Divides strategy, culminating in an agreement to extend the strategy by a further five years. He also oversaw key strategic initiatives, such as a £400,000 grant to Centre for the Acceleration of Social Technology to support digital transformation across the charity sector in London, and £400,000 to Trust for London to tackle some of the root causes of poverty and disadvantage amongst Deaf & Disabled Londoners.

We warmly thank Dhruv for his leadership of the City Bridge Trust Committee and his committed contributions to the continuing success of the Trust and to Bridge House Estates, and hope that both City Bridge Trust and Bridge House Estates can continue to depend on his skills and experience.

## 6. CITY BRIDGE TRUST GRANTS OF OVER £500,000 FOR APPROVAL

### a) Trust for London Collaborative Projects Extension Funding

**RESOLVED** – That the BHE Board agree a grant of £840,000 to Trust for London (TFL) to extend the current Moving on Up and the Strengthening Voices Realising Rights projects for an additional two years, subject to confirmation of the TFL match contribution at an equivalent level.

### b) Legal Education Foundation - Justice Collaborations

In response to a question from a Member, the Managing Director of BHE advised that CBT had a history of supporting the advice sector, including legal advice. The support provided by CBT was used to complement other forms of support and towards funding *pro bono* legal work. The Chair confirmed that

grants of this nature were within the remit of the Bridging Divides strategy, but could be taken into consideration for the next CBT strategic review.

**RESOLVED** – That the BHE Board agree a grant of £500,000 over three years (£200,000; £150,000; £150,000) to The Legal Education Foundation – Justice Collaborations (TLEF) to contribute to the second round of grants for specialist immigration advice services in London.

c) **Strategic Initiative: Catalyst (Centre for the Acceleration of Social Technology)**

**RESOLVED** – That the BHE Board agree a grant of £900,000, over five years (£200k, £200k, £200k, £175k, £125k) to the Centre for the Acceleration of Social Technology for the continuation of the Catalyst digital network project, release of year two payments will be conditional on funding from the National Lottery Community Fund (or other funder(s) at a similar level of funding) being secured.

7. **REQUEST FOR UPLIFT TO THE CENTRAL CONTINGENCY BUDGET**

The BHE Board considered a report of the Managing Director of BHE and the Chamberlain updating Members on the central contingency budgets held by BHE within the original 2021/22 budget, with a request for an uplift to be approved to enable the BHE Board to meet unforeseen and/or exceptional items that may be identified during the year. In response to points raised by Members, the Chair confirmed that the contingency budget would be directly overseen by the Board, and that requests for allocations would need to demonstrate why the costs cannot, or should not, be met from existing budget provisions in the usual way.

**RESOLVED** – That the BHE Board, in discharge of functions for the City Corporation as Trustee of Bridge House Estates (charity reg. no. 1035628) and solely in the charity's best interests:

- a) Note the central contingency budgets currently held by BHE for 2021/22 which include a central contingency budget of £50,000, as well as provisions of £175,000 for apprentice costs and £40,000 for contribution pay (paras 1-3);
- b) Approve that £50,000 be held as a contingency for consideration for joint projects undertaken with the City Corporation acting in its other capacities;
- c) Approve that £40,000 originally held as contingency for contribution pay be transferred to a central contingency fund;
- d) Recommend an uplift in central contingency budgets of £810,000 for onward approval by the Court of Common Council, which shall be held with the central contingency sums approved under recommendations b) and c) above to create a total contingency budget of £900,000 for 2021/22; and

- e) Subject to approval of recommendation d) and Item 8 on your Agenda to recommend the use of currently held contingency budgets of £108,000 as stated in this report for onward approval by the Court of Common Council.

**8. BHE BUDGET UPLIFT REQUEST - STAFFING**

The Board considered a report of the Managing Director of BHE requesting approval of a 2021/22 budget uplift of £77,800 to fund 3 roles until 31<sup>st</sup> March 2022.

**RESOLVED** – That the BHE Board, in discharge of functions for the City Corporation as Trustee of Bridge House Estates (charity reg. no. 1035628) and solely in the charity's best interests, and subject to the Court of Common Council's approval to an uplift in the contingency budget to be held within the control of the BHE Board, approve a budget uplift of £77,800 for the 2021/22 operational budget held by BHE to fund the extension of 2 roles linked to the implementation of the BHE Strategic Governance Review and 1 additional role for BHE operational support.

- a) Implementation: To approve a 2 day a week extension of the existing BHE Review Programme Director role and a full-time 4-month extension to the existing BHE Transformation Project Accountant position until March 2022.
- b) Operational: To approve a 2.5 day a week BHE Project Officer role until March 2022.

**9. CAPITAL FUNDING UPDATE\***

The Board considered a report of the Chamberlain on capital prioritisation and the 2020/21 and 2021/22 rounds of annual capital bids. Members commented that it was important that parallel procedures and appropriate officer delegations be set up to avoid the need for decisions in respect of relatively minor sums to be submitted to full Board meetings, and asked officers to look for efficiencies in this regard.

**RESOLVED** – That the BHE Board agree the release of an initial £3,000 contribution towards the costs of progressing the Wide Area Network upgrade project to the next gateway, to be met from the Unrestricted Income Fund with funding previously approved within the 2021/22 budget.

**10. BUDGET MONITORING: 1 APRIL TO 31 JULY 2021\***

The BHE Board were provided a financial update of BHE activities from the start of the current financial year to 31 July 2021 to enable the Board to have an overview of the charity's financial position and performance, alongside updating on forecast changes made.

**RESOLVED** – That the report be noted.

**11. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

12. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**  
The Board gave thanks to Ciaran Rafferty, CBT Funding Director, on his last meeting after twenty years at City Bridge Trust. The Board thanked Ciaran for his long and valuable service to the charity and wished him luck in his next role. In response, Ciaran Rafferty thanked the Board for their tribute, remarking that it had been an honour and privilege working for the charity, and wished the Board luck with their important work going forward.
13. **EXCLUSION OF THE PUBLIC**  
**RESOLVED** – That with the Court of Common Council for the City Corporation as Trustee of Bridge House Estates (Charity No. 1035628) having decided to treat these meetings as though Part VA and Schedule 12A of the Local Government Act 1972 applied to them, the public be excluded from the meeting for the following items of business on the grounds that their consideration will in each case disclose exempt information of the description in paragraph 3 of Schedule 12A, being information relating to the financial and business affairs of any person (including the City Corporation as Trustee of the charity) which it would not be in the charity’s best interests to disclose.
14. **NON-PUBLIC BOARD MINUTES\***  
**RESOLVED** – That the non-public minutes of the meeting held on 14 July 2021 be agreed as a correct record.
15. **NON-PUBLIC APPENDICES - REQUEST FOR UPLIFT TO THE CENTRAL CONTINGENCY BUDGET**  
The Board received a non-public appendix in respect of Item 7.
16. **RESOLUTION OF THE HEALTH AND WELLBEING BOARD**  
The Board received a resolution of the Health and Wellbeing Board.
17. **SUICIDE PREVENTION IN THE CITY OF LONDON**  
The Board considered a report of the Deputy Town Clerk and Chief Executive.
18. **GATEWAY 3 - SECURE CITY PROGRAMME (SCP) - VULNERABLE PEOPLE WORKSTREAM**  
The Board considered a report of the Director of the Built Environment and the Commissioner of the City of London Police.
19. **CAS: AGREEING TARGETS AND IMPLEMENTATION ACTIONS FOR A NET ZERO PATHWAY FOR FINANCIAL INVESTMENTS FOR EACH FUND**  
The Board considered a report of the Chamberlain.
20. **PERFORMANCE MONITORING TO 31 JULY 2021: BRIDGE HOUSE ESTATES\***  
The Board received a report of the Chamberlain.
21. **GATEWAY 5 - REFURBISHMENT OF ELECTRA HOUSE, 84 MOORGATE, EC2 - BHE**

The Board considered a report of the City Surveyor.

22. **BRIDGE HOUSE ESTATES: OUTSTANDING LEASE RENEWALS & RENT REVIEWS - 1ST JANUARY 2021 TO 30TH JUNE 2021\***

The Board received a report of the City Surveyor.

23. **BRIDGE HOUSE ESTATES - RENTAL ESTIMATES MONITORING REPORT\***

The Board received a report of the City Surveyor.

24. **DELEGATED AUTHORITY REQUEST: APPOINTMENT OF EXTERNAL AUDITORS**

The Board considered a report of the Chamberlain.

25. **GUILDHALL COOLING PLANT REPLACEMENT**

The Board considered a report of the City Surveyor.

26. **REPORT OF DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY\***

The Board received a report of the Town Clerk.

27. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There was one question.

28. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other business.

29. **BHE TOM PROPOSAL**

The Board considered a report of the Managing Director of BHE.

**The meeting ended at 3.27 pm**

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Chair

**Contact Officer: Joseph Anstee**  
**joseph.anstee@cityoflondon.gov.uk**

<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	24 November 2021
<b>Subject:</b> Managing Director's Update Report	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?</b>	1, 2 and 3
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>Report of:</b> David Farnsworth, Managing Director of BHE	<b>For information</b>

## Summary

To support the Bridge House Estates Board (“the BHE Board”/ “the Board”) in the discharge of its duties, this regular report provides an update on key areas of activity across the whole charity since the Board’s last meeting in September 2021 and outlines upcoming activities for the Board to note. Specifically, the report provides updates on: the findings of the London Assembly Transport Committee’s inquiry into the management of London’s river crossings; a recent maintenance bridge lift issue at Tower Bridge; the progress of the implementation of the recommendations arising from the interim review of the charitable funding strategy *Bridging Divides*; the progress of the charity’s external audit process; the performance of the charity’s investment portfolio; and the implementation of the BHE Strategic Governance Review and Target Operating Model Process.

## Recommendations

- i) Members are asked to note the contents of the report.

## Main Report

### Bridge Activity Update

1. Ongoing maintenance and support of the five Thames bridges continues to progress as part of the 50-year Bridge Maintenance Plan. Later in the agenda, in the non-public session, the Board will receive a comprehensive overview of the 50-year Bridge Maintenance Plan and an overview of the current thinking on the Bridge Replacement Strategy.
2. In July 2021, on behalf of BHE, I attended the London Assembly Transport Committee to provide evidence into their inquiry into the management of London’s River crossings. Earlier this month, the London Assembly Transport Committee published their findings in a public report titled “*London’s River Crossings: Bridging the Thames*”<sup>1</sup>. The report highlights the state and maintenance of London’s river crossings, and the lessons that can be learned from previous closures, and from international examples of river crossing management. The Report also makes a number of recommendations about the management and maintenance of the river crossings. BHE have been asked to provide a formal response to the published

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<sup>1</sup> The report can be accessed online: [https://www.london.gov.uk/sites/default/files/04112021\\_final\\_report\\_-\\_transport\\_committee\\_-\\_river\\_crossings\\_report.pdf](https://www.london.gov.uk/sites/default/files/04112021_final_report_-_transport_committee_-_river_crossings_report.pdf)

report: any such response will be informed by this Board meeting with its specific focus on BHE's primary objects, the bridges. Beyond this BHE will continue to engage with the London Assembly Transport Committee to further discuss their findings and provide advice on the effective management of Bridges.

3. Tower Bridge – On 4 November during a maintenance bridge lift at 15:30, the south bascule of Tower Bridge was not able to be lowered to a fully locked position. A hydraulic oil leak was identified at 16:45 and tanks took approximately 35 minutes to refill. This maintenance lift was one of many scheduled for the 10-month major hydraulics replacement project which is a few weeks from completion. Each quarter of the bridge's hydraulics system has been upgraded separately, in order to increase resilience and remain operational during a significant period of works – however in this instance, despite extensive testing prior to commissioning each quarter, one of the new pipe couplings failed. The Bridge was returned to a locked position with pedestrian and road traffic resuming from 17:30. Since this time, the Bridge lift mechanism has been functioning normally.

### **City Bridge Trust Update**

4. Interim Bridging Divides Review - City Bridge Trust (CBT) continues to implement the recommendations arising from the early 2021 interim review of the *Bridging Divides* strategy. Most notably:
  - a. The Anchor Partners initiative seeks to develop a long-term, collaborative approach with key civil society organisations in London. Anchors are organisations with a cross community/cross-locality (or other community centering) remit which often support smaller civil society organisations and are considered to be the backbone of the voluntary and community sector. Such organisations facilitate crucial work tackling inequality across the capital, supporting the mission and vision of *Bridging Divides*. CBT have identified a long-list of potential partners and will host a meeting to share initial thoughts on shaping a programme of significant, long-term support. CBT aim to award developmental grants to prospective partners before the end of the financial year.
  - b. CBT's funding programmes continue to be updated, with 11 of the 19 pre-Covid strands now open to new applicants, having been reviewed and updated in light of the new and current context in London, taking lessons learnt from the pandemic into account. The remaining eight funding strands are being reviewed as part of a wider exercise to ensure learning from the health crisis is reflected in CBT's grant making. CBT will offer transitional funding support to organisations who would otherwise seek support through the strands that remain on pause and officers can provide a verbal update at your meeting if helpful.
  - c. CBT's "Funder Plus" offer, *The Bridge Programme*, relaunched in October and is receiving a steady stream of applications. "Funder Plus" is an approach connecting grant funded organisations with a range of free, non-financial support to help address a specific issue, whilst enhancing capacity, resilience and longer-term stability. Areas of support include Fundraising and Business planning, Management Systems, HR, and Governance. A learning session for the team CBT team is planned in November and this,



along with an evaluation of the programme, will inform future recommendations to the Grants Committee. This work, alongside the wider work undertaken by the Central Grants Unit and Corporate Volunteering Manager on 'total assets' (i.e. the broader range of networks, assets and skills which may enhance our funding offer) is enabling greater sharing and learning between the CBT team and the wider City Corporation. This is because the Funder Plus diagnostic generates insights around non-funding support required by CBT funded organisations and helps inform how City Corporation inputs complement the Funder Plus inputs.

- d. CBT continues to work with partners on the London Community Response (LCR), shaping a further programme of work which builds on the learning of waves one to five in identifying ways to continue collaborating in a non-emergency context. LCR was an unprecedented collective emergency response grant programme which saw collaboration between over 60 funders. Co-ordinated by London Funders, CBT played a key role, operating a fund into which other donors could donate (the "pooled" element of the work) and awarding more than half of the grants (c.£30m). It also took a pioneering approach to equitable grant-making, and the majority of CBT awarded grants were made to user-led organisations run by people with lived experience of the issues they were seeking to address. The Grants Committee will receive headlines in the Managing Director's report for their 6<sup>th</sup> December meeting, and a recommendation paper is planned for distribution by urgency in early 2022.
  - e. New collaborations with funders outside of the London Community Response have also been scoped, and a paper will also be considered by the Grants Committee at their December meeting.
5. Beacon Collaborative – Beacon Collaborative is a strategic initiative funded by CBT within the context both of the *Bridging Divides* strategy and the joint Philanthropy Strategy which focuses on the giving of time, assets, money and skills across BHE and the wider City Corporation. The Collaborative hosted its annual strategic conference at the Guildhall in late October with the Chairs and Deputy Chairs of the BHE Board and its Grants Committee attending. The Chair of the BHE Board gave the welcome speech followed by a speech by Danny Kruger MP, who is now a Principle Private Secretary in the Department for Housing, Communities and Levelling Up.

### **BHE Finance Update**

6. Members will be aware that there have been delays with the audit of the 2020/21 Annual Report & Financial Statements, as a direct result of resourcing issues with our current auditors – BDO. There has been further slippage over recent weeks, although BDO have informed us that they remain confident in their ability to complete their work ahead of the Audit Panel review and consideration by the Audit & Risk Management Committee at their meeting on 30 November. A report in the non-public section of the agenda considers the plan for approval of this year's Annual Report.
7. At the September meeting of the BHE Board, delegated authority was given for the consideration and approval of the appointment of the incoming auditor for 2021/22

and subsequent years. Given the date of the relevant meeting being after the submission deadline for this paper, a verbal update will be provided at the Board meeting.

8. Over recent weeks, work has been ongoing across all activities within the charity on their business plans and budgets for 2022/23. This has included individual discussion sessions to understand key challenges. Further work is taking place to update the forecasting model that we maintain, considering the impact of key variables such as inflation and investment returns. This will be completed in time for the February 2022 Board, at which the 2022/23 budget and medium-term plan will be presented.

### **BHE Investment Portfolio Update**

9. Property Investments – A bid was recently submitted for the Rock and Roll Industrial Units in Park Royal following Chief Officer approval. Unfortunately, BHE were outbid by Aberdeen Standard, with the final price yet to be disclosed. Officers will continue to identify purchases to further increase exposure to the industrial and logistics sector, with the funding strategy to be included in the 2022 Annual Strategy Report, to be approved by this Board.
10. On the sale side, bids have been received for the freehold of 64/65 London Wall following open marketing: a report from the City Surveyor recommending the highest bid and seeking delegation to progress the sale is included as a late report on your agenda today.
11. Social Investment - At the end of the most recent quarter (30<sup>th</sup> September 2021) the BHE Social Investment Fund calculated a return of 3.16% IRR on £9.8m of monies drawn down by our investees. In addition to the £9.8m drawn, investees can call on an additional £3.9m of funding, so the Fund has total active commitments of £13.7m, divided almost 60:40 between property and fixed income loans.
12. Members will recall that following agreement from the Chair and Deputy Chair of the BHE Board, new social investment placements are on hold pending completion of work on the Supplemental Royal Charter and agreement of any new social investment focus areas. Current work concentrates on portfolio management and the development of future plans.
13. Financial Investments – A full report on the performance of the BHE financial investment portfolio is provided later on the Board's agenda for today.

### **Cross-Cutting Strategic Ambitions and Governance**

14. Corporate Governance Documents Review – In March 2021, at the same time as approving the constitution of the BHE Board, the Court of Common Council authorised the Town Clerk, in consultation with the Comptroller & City Solicitor, to make any other consequential changes to the City Corporation's corporate governance documents which are required to support the effective implementation of the new Board from April 2021. As such, a substantial review of all documents

(listed below) is being undertaken to ensure alignment with the new Member and Officer governance arrangements for BHE. The documents reviewed are the:

- a. Standing Orders
- b. Officer Scheme of Delegations
- c. Financial Regulations
- d. Procurement Code
- e. Project Procedure

15. BHE Strategic Governance Review – The BHE Strategic Governance Review (the Review) continues to progress and is nearing completion as workstreams are implemented and embedded as business as usual. The Review has played a key role in driving forward recent developments for BHE, including progressing the development of a Brand Positioning Statement for the charity, embedding the new Member governance changes and in seeking further governance changes by way of a Supplemental Royal Charter in consultation with the Privy Council Office (PCO). The PCO are currently still considering the Charter, and although the timeframes for formal consideration are subject to Privy Council business, it is now anticipated that a new Supplemental Royal Charter will be granted by the end of the current financial year.
16. BHE Target Operating Model - Following the approval of the BHE Target Operating Model (TOM) Proposal to establish a Leadership Team for the charity by the BHE Board and the Establishment Committee, a 30-day consultation period with impacted employees was initiated on 25 October and will close on 23 November. The purpose of the consultation process is to seek the thoughts from those affected, including any alternative options they may wish to put forward which would achieve the objectives of the change proposal.
17. At the time of writing, the consultation process is still ongoing. However, following the completion of the consultation process all feedback received will be reviewed and considered. If there are no substantive changes to the proposal as a result of consultation, the next step will be to implement the proposal from December 2021 onwards. The BHE Board will be kept up to date with the progress of implementation. However, if there are substantial changes that affect the proposal, then a further report will be brought back to the BHE Board for formal consideration at the appropriate time.

## **Conclusion**

18. This report provides a high-level summary of activities across the whole charity since the last Board meeting in September 2021. Members are asked to note the content of the report and the progress made in each activity area over recent months. Further information on any of the updates given in this report can be provided to Board members either verbally in the meeting or in written format as a follow-up to the meeting.

## **David Farnsworth**

Managing Director of Bridge House Estates

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	24 November 2021
<b>Subject:</b> <i>Bridging London Strategy 2020 – 2045</i> ; Year One Annual Progress Report, 2020/21	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?</b>	<b>1, 2 and 3</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>Report of:</b> David Farnsworth, Managing Director of BHE	<b>For decision</b>
<b>Report Author:</b> Amelia Ehren, Strategic Project Lead, BHE	

## Summary

This report provides Members with a short Annual Progress Report of Bridge House Estates' overarching strategy, *Bridging London*, for 2020 – 21. It outlines the progress made in delivery of the strategy to date and the future strategic direction which will be reflected in the Year 2 (2022) Action Plan. Additionally, it proposes a new foreword to be signed by the Chair and Deputy of the Bridge House Estates Board to reflect the changing environment and ensure that the Strategy remains relevant. The report also provides Members with a newly designed version of the Strategy which will be published online and made available to stakeholders.

## Recommendations

It is recommended that Members, in discharge of functions for the City Corporation as Trustee of Bridge House Estates (charity no.1035628) and solely in the charity's best interests:

- i) Note the progress made in delivery of *Bridging London*, in 2020-21, as outlined in the Annual Progress Report at **Appendix 1**;
- ii) Endorse the proposed strategic direction for 2022 as set out in the Annual Progress Report and at paragraphs 9-11;
- iii) Approve the updated foreword at page 1 of **Appendix 2** to be signed by the Chair and Deputy Chair of the Bridge House Estates Board for use in 2022; and,
- iv) Note the new designed version of the Strategy at **Appendix 2**.

## Main Report

### Background

1. In October 2020 the Court of Common Council, acting in its capacity for the City Corporation as the Trustee of Bridge House Estates (BHE), approved a new overarching strategy for the charity, *Bridging London 2020 – 2045*. The purpose of the strategy was to provide a framework for all of BHE's activities and to outline the collective impact it seeks to have through the advancement of its primary and ancillary objects.
2. The *Bridging London Strategy* sets out a vision for the charity where "every person in London becomes truly connected", and outlines three aims to be "catalytic",

“sustainable” and “impact-driven” in its approach to becoming a world-class bridge owner, charitable funder and responsible leader.

3. The *Bridging London* Strategy is supported at an operational level by several of the charity’s other existing strategies and plans, which provide further detail of the delivery of the primary and ancillary objects, including the Bridge Replacement Strategy, 50-year Bridge Maintenance Plan, charitable funding strategy ‘*Bridging Divides*’, Joint Philanthropy Strategy, Joint Climate Action Strategy and the charity’s ‘transitional’ Investment Strategy Statement.

### **Current position**

4. The *Bridging London* Strategy was agreed for a 25-year period to represent the charity’s need as a permanently endowed charity to think for the long-term and to demonstrate its commitment to maintaining and supporting the bridges on that basis (the charity’s primary purpose), as well as its on-going work to address the needs of Greater London and Londoners (the charity’s ancillary purpose). Given that the operating context will be ever evolving over the 25-years, it was agreed that the Strategy would be evaluated on annual basis to summarise the progress made within the year against the vision, aims and defined measures of success. Additionally, it is now also proposed that the foreword is updated each year to reflect the current position and ensure the Strategy remains relevant. A detailed in-depth strategic review of the Strategy will also be carried out every five years to ensure it remains responsive to the needs of the charity and its beneficiaries over time.
5. The last 12-months has been a period of significant change for BHE. This report therefore provides a summary of activity that has been delivered in support of the *Bridging London* Strategy and as part of the Year One Implementation Plan. A short Annual Progress Report is attached at **Appendix 1**. Members are asked to note the progress made in the delivery of the charity’s strategy over the past year.
6. In particular, the Annual Progress Report for 2020/21 highlights progress against seven ‘beacon projects’. In the Year One Implementation Plan, ‘beacon projects’ were identified as key deliverables that would support the delivery of the high-level activities articulated in the Strategy and that would largely contribute towards the success of achieving the aims and overarching vision. The seven ‘beacon projects’ summarised in the report are listed below:
  - i) Governance Changes
  - ii) Brand Positioning
  - iii) Climate Action
  - iv) Investment Strategy
  - v) Equity, Diversity and Inclusion
  - vi) Tower Bridge: Cultural and Learning Offer
  - vii) London Community Response/Fund
7. In addition to the short Annual Progress Report, Members are asked to approve a new foreword for the Strategy, to be signed by the Chair and Deputy Chair of the BHE Board at page 1 of **Appendix 2**. Subject to any comments from Members,

this foreword will be included in an amended version of the Strategy to be published from January 2022.

8. A designed version of the Strategy has now also been produced which will be used in communications going forward **(at Appendix 2)**. The designed version of the Strategy is currently only available in digital copy. This version includes the proposed new foreword which is subject to approval from the Board today and can be amended prior to publication for any comments received.

### **Proposed Strategic Direction for 2022**

9. Building upon the lessons learned in 2021, in 2022 BHE will continue to fulfil its role in bridging and connecting London, for the benefit of Londoners today and for generations to come.
10. BHE will use a joined up strategic approach to advance its primary and ancillary objects, collaborating more cohesively as one charity across all its activities, and working closely with the City Corporation as its Trustee. BHE will continue to keep its own governing document and its operating governance structure under review to ensure that it operates effectively and efficiently, and in accordance with best practice in charity governance; delivers excellent bridge engineering management services for all five Bridges; and utilises its expertise in charitable funding to support a reduction in inequality in London and to foster strong, more resilient and thriving communities.
11. It is proposed that, with the endorsement of the BHE Board, the charity will focus on the following actions in 2022:
  - i) Embedding a comprehensive BHE Leadership Team and continuing to review the resourcing needs across the charity to ensure the operational structure works in the best interests of the charity, and supports the creation of a strong team culture;
  - ii) Implementing the more modern, flexible and broader governance powers for the charity following the anticipated grant of the Supplemental Royal Charter, e.g., introducing new express conflict of interest and trustee benefit provisions, a power to apply, or borrow against, the permanent endowment to meet costs of replacement bridges, Total Return Accounting for permanently endowed funds and a new delivery model for Social Investments;
  - iii) Reviewing the Bridge Replacement Strategy and factoring in wider considerations that will inform the decision of when to replace the Bridges;
  - iv) Implementing the recommendations from the *Bridging Divides* Interim Review and further considering our funding programmes;
  - v) Considering the future management arrangements for the charity's investment portfolio; and,
  - vi) Further developing our brand positioning to ensure that BHE's story is clearly understood by all its stakeholders to enable greater positive impact.
12. If the proposed strategic direction for 2022 is endorsed by the BHE Board, these actions will be built into business plans for 2022/23 which will be presented to the Board for approval in due course.

## Corporate & Strategic Implications

13. Strategic Implications: The progress made against the delivery of the *Bridging London* Strategy in Year 1 is clearly outlined in **Appendix 1**. Additionally, the Strategy is also supportive of the vision set out within the City Corporation's Corporate Plan (CP) for 2018-23 and reinforces the CP outcomes 3, 4, 5, 9, 11 and 12. These outcomes for the City Corporation's own Corporate Plan are considered to be aligned with outcomes which are in the best interest of the charity to support in pursuing its own strategic objectives.
14. Equalities and resources implications: As part of the BHE TOM Proposal approved by the BHE Board in September 2021, it is proposed that a new permanent Head of Strategy & Governance is recruited to in January 2022. The Head of Strategy & Governance will be responsible for leading the implementation and monitoring of *Bridging London* and ensuring that all BHE functions are aligned with the strategy and working towards the vision and aims set out within it.
15. Security implications: There are no direct security implications.
16. Financial implications: There are no direct financial implications.
17. Legal implications: The City Corporation as charity Trustee of Bridge House Estates has a duty *inter alia* to ensure that the charity is operating effectively and fulfilling the purposes for which the charity was established, and to ensure that the charity is complying with its governing document and the law. The annual review of progress against the charity's long-term Strategy as reported demonstrates the Trustee's positive actions in this regard.
18. Risk implications: There are no direct risk implications.
19. Climate implications: The Strategy outlines BHE's commitment to being net zero by 2040.

## Conclusion

20. This report provides a summary of the progress made against the delivery of the *Bridging London* Strategy in its first year of delivery in 2021. The report also highlights the proposed strategic direction for 2022 and presents to the Board for approval a new foreword to be included in a newly designed version of the Strategy for publication in 2022.

## Appendices

- Appendix 1 – 2020/21 Annual Progress Report for the *Bridging London* Strategy.
- Appendix 2 – New designed version of the *Bridging London 2020 – 2045* Strategy.

## Amelia Ehren

Strategic Project Lead, Bridge House Estates

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# **Bridge House Estates**

## ***Bridging London Strategy***

### **2020 - 2045**

#### **Annual Progress Report**

#### **2020-21**



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## FOREWORD AND EXECUTIVE SUMMARY

We are delighted to present the first Annual Progress Report for 2020 - 2021 of the Bridge House Estates (BHE) *Bridging London Strategy, 2020 - 2045*.

The publication of the *Bridging London Strategy* was a result of an in-depth Strategic Review focused on enhancing the charity's governance, management and administration, in order to ultimately increase BHE's reach and impact. The Review presented us an opportunity to reconsider and better articulate our future strategic direction. We committed to using the Strategy to better communicate our story and increase the awareness and understanding of our role in bridging and connecting London.

We are proud of what we have achieved in the first year of delivery against the strategy and are pleased to share with you this short Annual Progress Report which provides a summary of the excellent work done by our Board, staff and partners in the last year. It recognises our achievements for the year November 2020 to November 2021, learnings from the COVID-19 pandemic and reaffirms our commitment to connecting London - for the benefit of Londoners today and for generations to come.

The Progress Report also outlines the plans to develop a comprehensive performance framework to support with measuring the success of the Strategy over the long-term and sets out focus areas for delivery in 2022.

We look forward to continuing to share our progress over this exciting 25-year journey as we continue to bridge London and work towards a future where *every person in London becomes truly connected*.

**Dr Giles Shilson**

Chair of the Bridge House Estates Board

**Dhruv Patel, OBE**

Deputy Chair of the Bridge House Estates Board

# Strategic Objectives – *Bridging London*



## Our vision is that...

*'Every person in London becomes truly connected'*

## Our aims

To achieve our vision, we will deliver our charitable objects by taking a values-led approach of aiming to be:

Catalytic	Sustainable	Impact driven
We act as a catalyst for positive change in London through exemplary delivery of our activities and through our convening and influencing role.	We deliver our activities and manage all our assets in the most sustainable, ethical and responsible ways possible.	We place learning and impact at the heart of all that we do to ensure we achieve positive impact at scale, now and in the future.

## Defining success

We see success as building on our achievements and delivering our aims to become a:

***world-class bridge owner, charitable funder and responsible leader.***

# Bridging London: Annual Action Plan



## Annual Action Plan

In developing the *Bridging London* Strategy, we created a high-level implementation plan and a more detailed Year One Action Plan to ensure our vision for a connected London was converted into concrete, attainable and measurable steps. We will continue to review progress to drive efficiency and effectiveness and to share ideas, opportunities and learning across the charity. The high-level actions in the Strategy are designed to further the charity's objects and to meet our aims of being catalytic, sustainable and impact driven.

As part of the Year One Action Plan, several 'beacon projects' were identified as key deliverables to contribute to the success of achieving the Strategy's aims and overarching vision. Summary of progress made towards the 'beacon projects' can be found on pages 5-7.



## COVID-19

The COVID-19 pandemic had an unprecedented impact on society as a whole, and on specific communities in particular, but also distinctively on the charity sector. The pandemic shone a spotlight on the value and importance of community resilience - therefore, our role in bridging and connecting London perhaps became more important than ever.

We had to become resilient and adaptable when delivering our Action Plan, working in even greater collaboration with others. For example, Tower Bridge was forced to close as a visitor attraction for a total of seven months resulting in a significant downturn in visitors. Although income was severely impacted, its potential was maximised by effectively engaging with a 'hyper-local' and Londoners market. Tower Bridge also adapted its strategy as a visitor attraction to remain 'digitally open' despite being physically closed.

The COVID-19 pandemic presented both challenges and opportunities in terms of delivering our overarching Strategy in 2020/21. This is particularly highlighted through the charity's involvement in the London Community Response (LCR), where funders came together incredibly expediently to provide coordinated funding to support groups responding to the needs of communities in the capital affected by the pandemic, and also through directly administering the London Community Response Fund (LCRF) (a restricted fund that operated within LCR as a 'pooled' fund and allowed donors to support the LCR programme where they did not wish to directly fund projects themselves).

Whilst the pandemic presented challenges, ultimately we have continued to make significant progress against the objectives set out in *Bridging London*<sup>4</sup>

# Aim 1: Be Catalytic - Beacon Projects



*We act as a catalyst for positive change in London through exemplary delivery of our activities and through our convening and influencing role.*

## 1 - Governance Changes

In the Strategy, we committed to keeping BHE's governance structure under review to ensure that the charity operates effectively and efficiently, and in a manner consistent with charity best practice.

Following an extensive review of the charity's governance, on 15 April 2021 the City Corporation, as BHE's Trustee acting by its Court of Common Council, formally constituted the Bridge House Estates Board (BHE Board) to have responsibility for all aspects of BHE's day-to-day management and administration acting under delegated authority on behalf of and under the oversight of the Court. The BHE Board consolidates oversight of administration of the charity's strategic and operational activities within one committee of the Court to support the charity's more effective administration and management. It also helps ensure that decisions taken can clearly be demonstrated to be in the best interests of the charity.

In July 2021, the BHE Board, remaining directly responsible for all other matters within its remit (including the maintenance and support of its five Thames bridges) established a Grants (sub) Committee to have delegated responsibility for matters relating to the charity's funding activities in the name of City Bridge Trust (in furthering its ancillary purpose). The Grants Committee met for the first time in September 2021.

The BHE Board is keeping the arrangements it has adopted for the charity's governance under review to ensure they are operating effectively. Work is ongoing in the implementation of the optimal operational arrangements for the charity, including the charity's own governing documents.

## 2 - Brand Positioning

In the Autumn of 2020, we initiated a project to develop a positioning statement and brand strategy that would better represent the charity's diverse functions and speak to audiences in a compelling way. As a result of the project, a new statement has been produced that enables us to communicate the charity's broader mission, scope and influence, whilst acting as an 'umbrella' brand that unifies and gives legitimacy to the distinct, yet related, purposes and activities of the charity.

The project continues to develop under the BHE Board's direction to create a coherent and captivating story. It seeks to build a strengthened brand to represent the charity, and increase the charity's engagement and impact in the future.



# Aim 2: Be Sustainable - Beacon Projects



*We deliver our activities and manage all our assets in the most sustainable, ethical and responsible ways possible.*

## 3 - Climate Action

In October 2020, the Court of Common Council approved the [Climate Action Strategy](#) for the City Corporation, as Trustee for BHE and also its wider functions. The Climate Action Strategy sets out three interlinked primary objectives to support the achievement of net-zero emissions, build resilience and champion sustainable growth. It also reinforces our commitment to be net zero by 2040 in our full value chain. In July 2021, alongside signing up to the [Funder Commitment on Climate Change](#), the BHE Board adopted the Year 1 Implementation Plan of the Climate Action Strategy programme, as relevant to the charity. The focus of activity for the charity is across six workstreams areas, which are:

- [Design standards](#) - ensuring all future capital projects meet the highest commercially viable standards for sustainable and low carbon design.
- [Resilience in buildings](#) - delivering the roll out of retrofit measures for assets that BHE is responsible for, ensuring they are resilient to changing weather conditions and environmental patterns.
- [Net zero in Investment Properties](#) - delivering carbon reductions and energy efficiency improvements in our investment property portfolio.
- [Financial investments](#) - developing fund and portfolio level net zero targets to reduce our emissions from our financial investments.
- [Purchased goods and services](#) - improving suppliers' performance in delivering low carbon and wider sustainability products and services.
- [Strategic Implementation](#) - developing a performance framework and dashboard to monitor progress against actions.

In support of the aims in the Climate Action Strategy, BHE continues to develop local plans to progress its aim of being sustainable in all its activities.

## 4 - Investment Strategy

The need for a separate Investment Strategy for BHE was identified through the BHE Governance Review as a priority to comply with the legal and regulatory need to set clear investment objectives for the charity. In January 2021, a 'Transitional' Investment Strategy Statement (ISS) was adopted for BHE, which set out the charity's current investment objectives, and also incorporated BHE's strategic objectives as set out in the Bridging London Strategy and Climate Action Strategy.

In 2022, we will focus on further considering the future management of BHE's investment portfolio and develop a more comprehensive ISS for the charity, to ensure we continue to responsibly manage our portfolio to the highest standards that support the delivery of the charity's purposes.



## Aim 2: Be Sustainable - Beacon Projects



*We deliver our activities and manage all our assets in the most sustainable, ethical and responsible ways possible.*

### 5 - Diversity, Equity and Inclusion

We are fully committed to promoting Diversity, Equity and Inclusion (DEI) in all of our activities and across our Board and workforce. We continue to work with our trustee, the City Corporation, to embed practices which reflect the values of the charity and which champion and advance DEI practices.

Specifically, the City Bridge Trust (CBT) team recently set up a DEI working group who developed a comprehensive DEI Action Plan in support of BHE's commitment. Key areas of activity include ensuring: 1) we invest time and resources in understanding and defining DEI; 2) we produce and review strategies that will implement DEI practices; 3) we collect, track and publish data on our own practices and performances; 4) we have a diverse governing Board (including our co-opted members serving on its Committees) and staff team; 5) we reflect and implement DEI practices in our funding activities; and 6) we express our DEI commitment, policies and practices publicly.

This work is also being carried out in collaboration with the City Corporation, as well as other funders through networks such as the Funders Coalition and the Funders for Race Equality Alliance. This ensures we share and learn from best practice. Other examples of embedding DEI practices into all of our work are illustrated throughout this progress report and we remain committed to prioritising implementing similar actions across all of BHE's activities in 2022, building on our existing progress.



# Aim 3: Be Impact Driven - Beacon Projects



*We place learning and impact at the heart of all that we do to ensure we achieve positive impact at scale, now and in the future.*

## 6 - Tower Bridge: Cultural and Learning Offer

Tower Bridge's approach following the COVID-19 pandemic demonstrates the charity's commitment to achieving positive impact at scale. Following the closure of the Tower Bridge visitor attraction on 17 March, it became 'physically closed but digitally open', providing meaningful online cultural content and learning resources for public engagement during lockdown. This included a hub for digital content, including articles on the history of Bridge House Estates, quizzes, short films and podcasts. Similarly, workshops and resources transferred to online, including a dedicated family activities hub. The Bridge's flagship session, *Raise Tower Bridge*, was adapted so that students have more opportunities to experiment and play with coding.

Tower Bridge has continued to be recognised for its world-class learning offer and it maintained *'The Sandford Award for Heritage Education'* led by the in-house Learning team in 2020. Prior to the pandemic, this team saw positive progress in terms of DEI within the visitor offer, including the provision of regular British Sign Language tours and Special Educational Needs workshops. Relaxed Early Openings in 2020/21, with a focus on providing an autism-friendly environment at Tower Bridge, interestingly saw significantly higher uptake than those provided prior to the pandemic.



## 7 - London Community Response/ Fund

Despite the London Community Response (LCR) and London Community Response Fund (LCRF)\* not originally being highlighted as a 'beacon project' in the Year 1 Action Plan, CBT's involvement in the emergency response to COVID-19 demonstrated how the charity's commitment to learning and impact continually shaped its funding priorities during the pandemic.

In the financial year 2020/21, CBT distributed £15.2m of BHE funding through LCRF alongside a further £13.1m received from other funders, totalling £28.3m. The LCRF continued funding into April 2021, bringing the total awarded to £31.4m across five waves of funding, accounting for 58% of the total grants made through LCR (£54.5m).

A detailed Learning Report was prepared in September 2021 pulling together an array of learning from the funding response, including from London Funders, the LCR's learning partners, equity partners and monitoring information. The Report seeks to share the learning from across all waves of the LCRF to help inform future funding decisions and ensure that the failures and successes contribute to future thinking. The successes include: building on cross-sector collaboration; taking an equitable approach; reaching more organisations and diverse communities than were previously funded by CBT; and, adopting a flexible and light-touch approach to grant management.

The CBT team has committed to learning and sharing as it develops future funding priorities, building in learning and insight into its decisions and seeking to influence wider funder behaviour. This approach role-models BHE's commitment to developing a learning ethos across the charity.

\*Definitions of the LCR and LCRF can be found on page 4.



# Governance: Oversight and Responsibility



## Member Governance

The BHE Board is responsible for considering, consulting upon, settling and keeping under review, matters of policy and/or strategic importance to BHE – this includes considering the charity’s overarching strategy, *Bridging London 2020 - 2045*, which is approved by the Court of Common Council for the City Corporation as Trustee upon the recommendation of the BHE Board.

The BHE Board will receive an Annual Progress Report each year detailing progress made against the Strategy.

## Officer Governance

David Farnsworth, the Managing Director of BHE, is the senior responsible officer for the Strategy.

## BHE Task & Finish Group

The Managing Director of BHE is supported in the delivery of the Strategy by the BHE Officer Task & Finish Group, which is a cross-departmental body of the City Corporation with shared operational oversight of the BHE Strategic Governance Review and responsible for reporting updates and required decisions to Members. The Task & Finish Group is Chaired by Simon Latham, Director, Town Clerk’s Office and Police Authority.

The Task & Finish Group plays a key role in supporting the implementation of outcomes resulting from the BHE Strategic Governance Review, including supporting the delivery and implementation of the *Bridging London* Strategy.

## BHE Task & Finish Group continued...

The Task & Finish Group is made up of officers from the following departments/ teams:

- BHE Directorate
- Environment Department
- City Surveyor’s Department
- City Bridge Trust team
- Chamberlain’s Department
- Comptroller & City Solicitor’s Department
- City Remembrancer’s Office

It is proposed the Task & Finish Group will transition into an Implementation Group from January 2022, to reflect that the BHE Strategic Governance Review is nearing completion and the focus will become solely on the implementation of outcomes, rather than reviewing matters and identifying recommendations for change.



# Performance and Future Delivery



## Performance

We are committed to measuring the effectiveness and impact of our work and the delivery of the Strategy. In Year Two, we will prioritise developing a comprehensive performance framework to measure our work over the long-term against a set of key performance indicators (KPIs). We will collect baseline and benchmarking data, meaning that in time we will be able to set targets and better report on the impact we are having over a prolonged time period. The KPIs will be aligned with the measures of success defined in the strategy, which are to become a world-class bridge owner, charitable funder and responsible leader.

Our ambition is for future reports to include detailed data against the agreed KPIs and targets.



## Future Delivery

Taking a long-term approach to the Strategy is vital to demonstrate our commitment to London and Londoners but also to ensure that the lasting impacts of the activities planned are fully realised.

Whilst many of the activities in our Action Plan will continue and develop, we will also spend the next year (2022) focusing on:

- Embedding a comprehensive BHE Leadership Team and continuing to review the resourcing needs across the charity to ensure the operational structure works in the best interests of the charity, and supports the creation of a strong team culture;
- Implementing the more modern, flexible and broader governance powers for the charity following the anticipated grant of a Supplemental Royal Charter, e.g. Total Return Accounting for permanently endowed charities and a new delivery model for social investments;
- Reviewing the Bridge Replacement Strategy and factoring in wider considerations that will inform the decision of when to replace the Bridges;
- Continuing to implement the recommendations from the *Bridging Divides* Interim Review and further considering our funding programmes;
- Considering the future management arrangements for the charity's investment portfolio;
- Further developing our brand positioning to ensure that BHE's story is understood by its stakeholders; and,
- Ongoing review of Member governance to ensure that it serves the charity's needs most effectively.



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# **BRIDGE HOUSE ESTATES STRATEGY: BRIDGING LONDON 2020 - 2045**





# FOREWORD

On behalf of Bridge House Estates (BHE), we are delighted to share the charity's new 25-year strategy, *Bridging London*. This strategy represents an exciting time in BHE's long history, providing a framework for all of the charity's activities and outlining the collective impact it seeks to have, firstly through its maintenance and support of five of London's most iconic Thames bridges (Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge) and also through its further charitable funding and activities, aimed at tackling inequality and disadvantage across Greater London.

For more than 900 years, BHE's role and value in supporting London's physical and community infrastructure has remained integral to London – even as the City of London and Greater London have been transformed. The charity's bridges are significant and iconic landmarks and while they may just be bridges to some, they are also an integral part of the capital's communities and culture. They are symbols of London's history and beacons for its future.

Beyond the charity's primary purpose to maintain and support the bridges, in the last 26-years BHE has also supported Londoners experiencing disadvantage and marginalisation, helping them to thrive through the distribution of over £400m of charitable funding, delivered in the name of City Bridge Trust (the charity's funding arm).

BHE has always existed, and continues to exist, for the benefit of London. The Charity is anchored by the needs of London's communities – whom it inclusively defines as anyone that is in the capital at any given moment in time, whether living, working or visiting here.

When we first published the *Bridging London Strategy* in 2020, we committed to keeping the Strategy under review to ensure it always remained relevant and reflective of the changing environment. The past year has presented challenges and opportunities for the charity, with

the Covid-19 pandemic having an unprecedented impact on the charity sector, the UK and the world, shining a greater spotlight on the values of community resilience and connectivity. BHE's role in bridging London was perhaps therefore more important than ever.

BHE adapted to be more resilient and adaptable over the past year, working in even greater collaboration with others. This was particularly highlighted through the charity's involvement in the London Community Response, where funders rapidly came together to provide coordinated funding for the groups and organisations supporting communities affected by the pandemic. Covid-19 also presented challenges for our bridges, for example Tower Bridge was forced to close as a visitor attraction, resulting in a significant downturn in visitors. Although income was severely impacted, Tower Bridge's potential was maximised by effectively engaging with a 'hyper-local' and London-wide audience. Tower Bridge also adapted its visitor attraction strategy to remain 'digitally open' despite being physically closed. Despite the ongoing challenges of the pandemic, we remain committed to our vision, aims and objectives as set out in the Strategy.

We will continue to use this Strategy to better communicate our story and increase the awareness and understanding of our vision and impact. We hope that this strategy, and our commitment to making it a reality over the next 25 years, will inspire others to join us in striving to achieve the charity's vision, where every person in London becomes truly connected.

**Dr Giles Shilson**

Chair of the Bridge House Estates Board

**Dhruv Patel, OBE**

Deputy Chair of the Bridge House Estates Board

Signed November 2021





## OUR BACKGROUND

BHE is an historic charity, with its origins lying in ancient bequests of property made over 900 years ago to support and maintain London Bridge in perpetuity. The fund was only permitted to be spent on the maintenance or support of London Bridge, or on replacing it when it became unfit for purpose; although in more recent centuries the charity's objects were widened, and specific powers granted, to allow it to maintain and support additional bridges. BHE has since been administered by the City of London Corporation (City Corporation), which is the charity's corporate Trustee, acting by the Court of Common Council – the organisation's primary decision-making body, consisting of 125 elected Members.

Through the City Corporation's responsible stewardship and governance of the charity, BHE is able to effectively fulfil its charitable objects to this day. Our primary object is to maintain and support five bridges crossing the River Thames. In 1995, our charitable purposes were widened so that after the responsibilities relating to the bridges have been met, we can use any surplus income for the provision of transport for elderly or disabled people in the Greater London area and/or for other charitable purposes for the general benefit of the inhabitants of Greater London. This is known as our 'ancillary object' and activities undertaken in support of this are primarily delivered in the name of City Bridge Trust (CBT) – which is described as our 'funding arm'. Through the activities of CBT, we are London's largest independent funder, currently distributing around £25 million in grants each year to charitable causes across Greater London.

The ability to meet the charity's primary object over the past 900 years, and more recently the ancillary object, has been enabled by the responsible management of our permanent endowment and financial assets. The level of capital growth and income generated, most notably through the rental income from our investment property portfolio, together with the strong performance of our financial investment portfolio, has enabled us to first and foremost meet the needs of the bridges and then to go further to deliver expansively on our 'ancillary object' for the benefit of Londoners.

This focus on London and Londoners has always been at the heart of what we do. We adopt an inclusive definition of Londoners, meaning anyone that is in the capital at any given moment in time – whether living, working, learning or visiting there<sup>3</sup>. Whilst much has changed over the centuries since we were established, we continue to reach out across the capital in many important and diverse ways, anchored in supporting the needs of London and its communities.

Our bridges act as gateways to the City of London (also known as the 'City' or 'the Square Mile') and play a vital role in London's infrastructure – strengthening its character, capacity and connections. Our bridges are also celebrated as important assets, contributing to London's unique sense of place and status as a world-class city. Each and every day, the bridges provide safe passage for tens of thousands of people crossing the Thames, either by foot or vehicles, whilst offering some of London's most spectacular and unique views.

The bridges not only provide physical connections, but also digital connections by supporting London's telecommunications infrastructure – providing City businesses with unparalleled connectivity, speed and resilience. In recent years, the bridges have also played host and neighbour to a number of cultural projects aimed at connecting, celebrating and capturing the spirit of the Thames and its diverse communities, as well as the Thames Tideway Tunnel which aims to clean up the river for the benefit of London.

The iconic, world-renowned, Tower Bridge recently celebrated its 125th year anniversary and continues to strengthen London's cultural, heritage and learning offer. In 2019, Tower Bridge attracted over 800,000 visitors and engaged with nearly 4,000 people through its dynamic learning and community outreach programmes. Tower Bridge is to this day considered an engineering marvel and is arguably one of the most famous and instantly recognisable structures in the world.

Over the last 25 years in delivering our ancillary object, we have further demonstrated our reach and impact beyond the needs of the bridges, through our charitable funding and activities delivered in the main by CBT. Our funding is aimed at improving the lives of the inhabitants of Greater London – by working to reduce inequality and foster stronger, more resilient and thriving communities in pursuit of a London that serves everyone. Since 1995, through CBT, we have distributed over £400m of charitable funding across London supporting those most in need and have remained a stable anchor for Londoners.



<sup>3</sup> BHE charitable funding, delivered through City Bridge Trust, is for the benefit of the inhabitants of Greater London only.



# INTRODUCTION

This strategy sets out our vision and aims and outlines our approach to achieving our ambitions over the next 25-years. We are pleased to take a long-term view with our new strategy, showing our commitment to supporting London now and in the future. We are able to do this because this strategy is built upon all that we have learned and achieved over our long 900+-year history and through our Trustee's unique and historic role at the centre of a thriving and outward-looking London served by the charity.

Our charitable objects clearly state 'what' we will do as a charity, but the purpose of this strategy is to clearly outline 'why' we do what we do through the articulation of our new vision, and 'how' we will achieve this through our aims and actions.

This strategy provides a framework for all our work and is supported at an operational level by several other strategies and plans, including our: Bridge Replacement Strategy, 50-year Bridge Maintenance Plan, charitable funding strategy '*Bridging Divides*', Philanthropy Strategy, and Investment Strategy. This strategy is also supportive of, and supported by, the vision set out within our corporate Trustee's (the City Corporation's) Corporate Plan for 2018-23 of a '*vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK*'.

Throughout the lifespan of this strategy, we commit to delivering in-depth reviews of our work and strategies to help ensure that we achieve our vision, continue to learn, and are responsive to the needs of the time.

Ultimately, this strategy outlines the positive and sustained role that we intend to fulfil in bridging and connecting London, for the benefit of Londoners today and generations to come.



LONDON BRIDGE



## OUR STRATEGY

Our vision outlines the change we want to see and explains why we do what do. We want to see a flourishing society, where every person in London is truly connected - physically by world-class sustainable bridges, and connected socially and digitally through thriving communities that have access to a diversity of social, cultural and economic opportunities.

### OUR VISION IS THAT...

'Every person in London becomes truly connected'

Image shows the Kiln Theatre Company © Alex Brenner. The theatre was awarded £100k by City Bridge Trust for access improvements in 2018.

## OUR AIMS

Our longevity, diverse charitable purposes, large asset base and historic relationship with our corporate Trustee (the City Corporation), place us in a unique position to achieve our vision. To do this, we will deliver upon our primary object by supporting and maintaining our five Thames bridges, and through using any available surplus income to advance our ancillary purposes. We will meet these objectives by taking a values-led approach of aiming to be a charity charity that is catalytic, sustainable and impact driven.

### CATALYTIC

We act as a catalyst for positive change in London through exemplary delivery of our activities and through our convening and influencing role.

### SUSTAINABLE

We deliver our activities and manage all our assets in the most sustainable, ethical and responsible ways possible.

### IMPACT DRIVEN

We place learning and impact at the heart of all that we do to ensure we achieve positive impact at scale, now and in the future.

## WHAT WE WILL DO

This section outlines the next steps that we will take to achieve our vision and aims. We commit to reviewing these actions on a regular basis to ensure that they are bringing us closer to the impact we wish to achieve and the change we want to facilitate in bridging London.

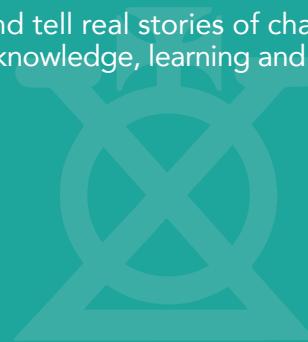
# BE CATALYTIC

In an ever-changing society, we must ensure that we remain relevant and find new ways of working to deliver positive change for London and Londoners. At the same time, we recognise that the goal of a truly connected London is not just ours and that there are many other stakeholders and organisations working towards a similar vision, whom we will strive to bring together and work in collaboration with to catalyse change.



## To achieve our aim of being catalytic, we will:

1. Keep our internal governance structure under review to ensure that we operate effectively and efficiently, and in accordance with charity good governance best practice.
2. Deliver world-class bridge engineering management services for all five of our bridges.
3. Utilise our expertise in charitable funding to support a reduction in inequality in London and to foster stronger, more resilient and thriving communities.
4. Build, sustain and leverage partnerships in order to catalyse greater levels of giving across London.
5. Contribute to contemporary debates within the charitable sector on the complex social challenges facing Londoners and amplify the voices of marginalised people and communities in these discussions.
6. Take a 'total assets' approach, drawing on our expertise and networks, and that of our Trustee (the City Corporation), across the private, public and charitable and community sectors.
7. Demonstrate thoughtful leadership, by using our influence and partnerships to convene others around shared aspirations; whilst at the same time championing diverse perspectives and finding solutions that bring the two together.
8. Nurture and tell real stories of change and share our knowledge, learning and progress with others.



# BE SUSTAINABLE

We will place sustainability at the heart of everything we do, with the aim of achieving lasting sustainable impact. By this we mean managing our financial assets in a responsible manner, which enables us to deliver activities, primarily for the bridges but also through CBT, that produce positive social, environmental and economic impacts for our beneficiaries which can be maintained in the long-term.



## To achieve our aim of being sustainable, we will:

1. Reduce our environmental harm and protect all our assets through better use of our resources and increase our positive impact through greening, advocacy and influencing – working towards being net zero by 2040.
2. Champion responsible investment and manage our investments in alignment with our values and the UN Sustainable Development Goals.
3. Work with our supply chain to maximise social value, minimise environmental harm and strive to ensure the ethical treatment of people throughout our supply chains.
4. Responsibly manage our bridges and investment property portfolio to the highest sustainability standards possible, without detracting from delivery of the financial returns required to fulfil our charitable objects.
5. Enhance the resilience of our physical infrastructure assets to adapt to future climate conditions.
6. Embed employment practices through our Trustee which reflect the values of the charity and which create and champion equality, diversity and inclusion.
7. Through the work of CBT and working with our networks, fund and encourage work that supports environmental education and responsibility, especially relating to climate action, air quality and clean water.



## BE IMPACT DRIVEN

We will work towards ensuring everything we do has the strongest and most positive impact possible. We will focus our efforts where the need is greatest, in order to make a lasting impact for the benefit of Londoners now, and for generations to come. We will also draw upon the reach of our corporate Trustee, which extends across sectors and far beyond the Square Mile's boundaries, to achieve maximum impact for our beneficiaries and provide leadership in best practice for the voluntary and community sector across London, the UK and beyond.



Nature Vibezzz was awarded £30,000 by City Bridge Trust in 2021 to deliver Forest School and nature conservation activities over three years.

### To achieve our aim of being impact driven, we will:

- Keep the governance and powers of the charity under review to ensure they enable and support the charity's effective administration.
- Contribute to higher impact and higher value philanthropy through our role modelling in London and our support and awareness-raising in the UK and internationally.
- Undertake philanthropic collaborations to generate positive impact within London, which our partners can extend nationally and internationally.
- Lead the development of the UK as a global centre for social investment and help to grow the market.
- Provide an inclusive and high-quality cultural and learning offer on Tower Bridge.
- Promote, enhance and celebrate the heritage and cultural value of our bridges.
- Grow our learning culture and become more evidence-based and data driven in order to deepen our understanding of what we are achieving; and transparently share our learning with others.



# DEFINING SUCCESS

Delivering on this strategy will help us to communicate our vision and aims more powerfully, so that our role and heritage is valued and understood by our beneficiaries, and other audiences. We see success as building on our achievements and delivering our aims to become a charity that is a:

## WORLD CLASS

**BRIDGE  
OWNER**

**CHARITABLE  
FUNDER**

**RESPONSIBLE  
LEADER**

We want to amplify our reach and impact to a world class level as, ultimately, we want our work to make the most positive impact possible in bridging London's physical and community infrastructure. We aim to position ourselves as a consistently credible champion for London and Londoners, working towards achieving our vision where *'every person in London becomes truly connected'*.

Our successes will be defined both quantitatively in terms of reaching and exceeding set targets in the context of the management and conservation of world-class bridges, and in terms of the delivery of our charitable funding activities and role-modelling of high impact and high value philanthropy; and qualitatively in the context of setting new standards in being catalytic, sustainable and impact driven. For us, success will also be achieved by having an investment portfolio that is aligned with our aims and embedding a learning culture to ensure we continually reflect and improve our practices. Such measures in pursuit of our vision and three core aims will be designed during the implementation phase of this strategy, and progress against them will be shared in regular evaluation reports.



# CONCLUSION

This strategy represents an exciting opportunity for us to demonstrate our commitment to London. *Bridging London* highlights the role we will continue to play in connecting the capital through support of London's physical and community infrastructure and signals the type of charity that we wish to be.

Making this strategy a reality will require us to build upon our successes to-date but also to learn, evaluate and model new innovative ways of working to achieve our charitable objects, and to deliver sustainable impact for our beneficiaries, over the long term. We recognise that achieving our vision and aims will not happen overnight, but we are committed to sharing our progress over this exciting 25-year journey as we continue to bridge London and work towards a future where *every person in London becomes truly connected.*





# BRIDGE HOUSE ESTATES



For further information on Bridge House Estates,  
please contact [BHE@cityoflondon.gov.uk](mailto:BHE@cityoflondon.gov.uk)

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# Agenda Item 6

<b>Committee(s)</b>	<b>Dated:</b>
Resource Allocation Sub Committee Bridge House Estates Board Policy and Resources Committee	19 November 2021 24 November 2021 16 December 2021
<b>Subject:</b> Capital Funding – Prioritisation of 2022/23 Annual Capital Bids - Initial Review	<b>Public</b>
<b>For City’s Cash and City’s Fund, which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly, and for BHE, insofar as they are considered to be in the best interests of the charity to support?</b>	These capital bids span all 12 outcomes of the Corporate Plan to some degree
<b>For BHE, which outcomes in the BHE Bridging London 2020 – 2045 Strategy does this proposal aim to support?</b>	1,2,3
<b>Does this proposal require extra revenue and/or capital spending?</b>	No decisions about specific commitments are required at this stage
<b>If so, how much?</b>	£
<b>What is the source of Funding?</b>	All <u>central</u> funding sources of the three main funds could be impacted
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	N/A
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Dianne Merrifield, Group Accountant (Capital)	

## Summary

In this third annual capital bid round, there are 47 live bids amounting to **£61.9m**. Most of the submissions have been classified as essential and identified against one of the agreed prioritisation criteria. Based on the narrative supporting the bids, an assessment of how essential these schemes appear from a corporate perspective has been undertaken using a RAG rating approach - resulting in £24.3m green, £29.3m amber and £8.4m red.

To set these bids in to some context, £89m of capital bids were originally approved in principle via the 2020/21 annual capital bid process and £83.5m via the 2021/22 bid round. However, these annual levels of bids were considered to be exceptional and unsustainable on an ongoing basis alongside the other current financial priorities and pressures such as the major projects and balancing of the revenue budgets.

Accordingly, through discussions at the Resource Allocation Sub Committee Awayday, the following upper limits of funding for new bids was proposed for City Fund and City’s Cash:

- £20m for City Fund (incorporating bids to be funded from the On-Street Parking Reserve, Community Infrastructure Levy and central capital/revenue reserves)

- £10m for City's Cash from general reserves.

This level of funding is broadly in line with the average level of centrally funded schemes over previous years.

The Bridge House Estates funding requirement for these centrally funded schemes is limited to the appropriate share of corporate IT and Guildhall office-related projects and therefore the amounts involved are usually relatively modest.

The initial assessment, which has been determined in consultation with senior officers, has resulted in the current level of green bids, at £24.3m, falling within these limits. Subject to feedback from Members and providing those bids remain within the £30m overall limits, it is therefore proposed that funding for the green bids be approved in principle for 2022/23, to be incorporated into the medium-term financial plans. It is further proposed that amber and red bids are not funded in this annual round, but with amber bids to be placed on a reserve list in the event that headroom in the provisions for green bids is identified.

For Bridge House Estates, the total share of corporate schemes rated as green amounts to £0.1m, which can be accommodated from the balances on the unrestricted income fund. These schemes have senior officer and member oversight and will be taken to the November BHE Board for approval including any updates from this meeting.

### **Recommendation(s)**

Members are asked to:

- Note the total value of City Fund and City's Cash bids amounting to £61.9m against a target upper limit of £30m (excl BHE).
- Review the initial RAG rating of £24.3m green, £29.3m amber and £8.4m red contained in the appendices (determined in consultation with senior officers).
- Agree that, subject to Member feedback, funding for the green bids be incorporated into the medium-term financial plans, providing they remain within the £30m overall limits for City Fund and City's Cash and remain at a similar modest level for Bridge House.
- Agree in principle that bids with a final RAG rating of amber and red be deferred.
- Agree that amber-rated bids be placed on a reserve list to be progressed in the event that funding headroom is identified.
- Note that the final decision on the green-rated bids for inclusion in the 2022/23 draft budgets will be confirmed at the joint meeting of RASC and the service committee and Bridge House Estates Board chairmen in January 2022.

### **Main Report**

#### **Background**

1. Members have agreed the necessity for effective prioritisation of capital and SRP projects, with central funding allocated in a measured way via the annual capital bid process by applying prioritisation criteria to ensure that corporate objectives are met and schemes are affordable.

2. The following criteria against which capital and supplementary revenue projects are assessed have been agreed:
  - i. Must be an essential scheme (Health and Safety or Statutory Compliance, Fully/substantially reimbursable, Major Renewal of Income Generating Asset, Spend to Save with a payback period < 5 years.)
  - ii. Must address a risk on the Corporate Risk register; or the following items that would otherwise be escalated to the corporate risk register:
    - a. Replacement of critical end of life components for core services;
    - b. Schemes required to deliver high priority policies; and
    - c. Schemes with a high reputational impact.
  - iii. Must have a sound business case, clearly demonstrating the negative impact of the scheme not going ahead, i.e. penalty costs or loss of income, where these are material.

In addition, bids in support of the Climate Action Strategy are to be allowed a degree of priority, subject to affordability.

3. The scope of schemes subject to this prioritisation relates only to those funded from central sources, which include the On-Street Parking Reserve, Community Infrastructure Levy (CIL), flexible external contributions and allocations from the general reserves of City Fund or City's Cash. This means that projects funded from most ring-fenced funds, such as the Housing Revenue Account, Designated Sales Pools and Cyclical Works Programmes are excluded, together with schemes wholly funded from external grants, and tenant/ developer contributions e.g. under S278 agreements and most S106 deposits.
4. In view of the various current financial pressures arising from the pandemic and other high priority initiatives, Chief Officers were requested to submit bids for only the most critical and essential schemes for the 2022/23 bid round.

### **Current Position**

5. Departments have submitted their bids for central funding from 2022/23 which they consider necessary to deliver business plans. It should be noted that whilst these schemes are to be started during 2022/23, costs are anticipated to be incurred over the medium term as the lead-in time for projects mean that they routinely span across more than one financial year.
6. There are 47 live bids amounting to £61.9m, most of which have been classified as essential and identified against one of the agreed prioritisation criteria. Based on the narrative supporting the bids, an assessment of how essential these schemes appear from a corporate perspective has been undertaken using a RAG rating approach where:

Green = demonstrates the essential criteria

Amber = essential criteria less clear

Red = does not demonstrate essential criteria/not essential to do now.

7. The table below shows the outcome, with £24.3m green, £29.3m amber and £8.4m red.

	Green	Amber	Red	Total
	£000	£000	£000	£000
<b>Critical End of Life Replacement</b>	5,280	10,030	3,065	18,375
<b>Statutory Compliance/Health and Safety</b>	7,784	-	2,774	10,558
<b>High Profile Policy Initiative</b>	11,236	19,120	-	30,356
<b>Other</b>	-	100	2,500	2,600
	24,300	29,250	8,339	61,889

Listings of the projects within each of the green, amber and red categories are attached in the appendix, together with a brief commentary on each to inform the red/amber/green rating.

8. This analysis has been determined in consultation with senior officers, with particular discussion around the amber and red rated bids to ensure consistency and consensus of approach. For example, during discussions the top-up bid for the Guildhall Masterplan feasibility (£1.15m) was moved to green as completion was considered essential to inform the potential of this major initiative, whilst the Hampstead Heath Pergola bid (£1.5m) was moved to red to reflect the proposed external funding approach.

### **Affordability**

9. To set these bids in to some context, £89m of capital bids were approved in principle via the 2020/21 annual capital bid process and £83.5m via the 2021/22 bid round. However, bids of this magnitude were considered to be exceptional and unsustainable on an ongoing basis alongside the other current financial priorities and pressures such as the major projects and balancing of the revenue budgets.
10. Accordingly, through discussions at Resource Allocation Sub Committee Awayday, the following target allocations of funding for new bids was proposed:
  - £20m for City Fund (incorporating bids to be funded from the On-Street Parking Reserve, Community Infrastructure Levy and central capital/revenue reserves
  - £10m for City's Cash from general reserves.
11. In order to further assess affordability, bids have been identified against the relevant funding source as summarised below:

	Green	Amber	Red	Total
City Fund:	£000	£000	£000	£000
-OSPR	3,450	18,320	1,000	22,770
-CIL	7,533	-	-	7,533
-Capital	2,211	8,670	3,827	14,708
-Revenue	1,947	496	-	2,443
<b>City Fund</b>	<b>15,141</b>	<b>27,486</b>	<b>4,827</b>	<b>47,454</b>
<b>City's Cash</b>	<b>9,044</b>	<b>1,670</b>	<b>3,487</b>	<b>14,201</b>
<b>BHE</b>	<b>115</b>	<b>94</b>	<b>25</b>	<b>234</b>
<b>Total</b>	<b>24,300</b>	<b>29,250</b>	<b>8,339</b>	<b>61,889</b>

12. The following analysis shows the level of green bids against the individual target funding allocations:

	Funding Targets	Green Bids	Headroom
	£000	£000	£000
<b>City Fund</b>	20,000	15,141	4,859
<b>City's Cash</b>	10,000	9,044	956
<b>BHE</b>	N/A	115	N/A
	30,000	24,300	5,815

This headroom allows a degree of flexibility to take on board Member feedback and comments arising from the joint meeting of RASC and service committee chairmen, or other urgent needs that may arise in 2022/23.

13. As a consequence, it is therefore proposed that bids with a final RAG rating of amber and red will not be funded at this time, although amber schemes will be placed on a reserve list, to be progressed in the event that funding headroom is identified.

14. Bridge House Estates funding towards these centrally funded schemes is limited to the appropriate share of corporate IT and Guildhall office-related projects and therefore the amounts involved are usually relatively modest. The total share of such corporate, green-rated bids amounts to £0.1m, which can be accommodated from the balances on the unrestricted income fund following approval by Bridge House Estates Board.

### Next Steps

15. Based on the current assessment, it is proposed that the green bids be modelled in the draft medium term financial plans to inform the 2022/23 budget proposals (Amber and red bids to be deferred).

16. Next steps will be to take on board member feedback with confirmation of the green-rated bids via the joint meeting of RASC and service committee and Bridge House Board chairman in January 2022

## **Conclusion**

17. In this third annual capital bid round, there are 47 live bids amounting to **£61.9m**. Most of the submissions have been classified as essential and identified against one of the agreed prioritisation criteria. Based on the narrative supporting the bids, an assessment of how essential these schemes appear from a corporate perspective has been undertaken using a RAG rating approach - resulting in £24.3m green, £29.3m amber and £8.4m red.
18. A target allocation of £30m (£20m City Fund and £10m City's Cash) for the 2022/23 capital bids was agreed at the Resource Allocation Sub Committee Awayday. At £24.3m, the current level of green rated bids falls within these limits, also allowing a degree of flexibility to take on board Member feedback and comments arising from the joint meeting of RASC and service committee chairmen.
19. Recommendation bids with a final rating of amber and red will not be funded at this time, although the amber list schemes will be placed on a reserve list to be progressed in the event that any funding headroom is identified.

### **Report author**

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Group Accountant, Capital

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**T:** contact via Teams whilst working from home

**Appendices:** Green/Amber/Red Bids



## 2022/23 Annual Bids - Initial Assessment Green

Project Name	City Fund £'m	City's Cash £'m	BHE £'m	Total Funding Allocation £'m
<b>Critical end of life replacement:</b>				
BEMS Upgrade Phase 2 - Heathrow Animal Reception Centre and various OS sites at Epping	0.150	0.100	-	0.250
IT - Members IT refresh (to align with new personal device roll-out for staff)	0.192	0.087	0.021	0.300
IT - Managed Service re-provisioning (one-off costs due to end of current contract)	0.320	0.145	0.035	0.500
IT - Corporate Managed Print Service (one-off costs due to end of current contract)	0.032	0.015	0.004	0.050
IT - Server Upgrade/replacement	0.064	0.029	0.007	0.100
Mansion House - essential roof repairs	-	0.330	-	0.330
OS Hampstead Heath - Parliament Hill Athletics Track Resurfacing	-	2.000	-	2.000
Guildhall School - Repairs to roof, expansion joint repairs and drainage and water systems (subject to holistic approach for highwalks, Barbican and School)	-	1.750	-	1.750
<b>Health and Safety/Statutory Compliance:</b>				
Fire Safety - Guildhall Complex Fire Stopping all basement and plant areas	0.202	0.210	0.008	0.420
Fire Safety - Baynard House Car Park Sprinklers Replacement (remaining floors)	0.250	-	-	0.250
Central Criminal Court: Cells Ventilation - Top-Up bid to meet full scope of statutory requirements. (£1m bid agreed in principle as part of the 2021/22 capital bid round.)	1.000	-	-	1.000
OS Epping Forest - COVID-19 Path Restoration Project	-	0.250	-	0.250
OS Queen's Park Play Area and Sandpit replacement of equipment	-	0.055	-	0.055
Barbican Centre - Replacement of Central Battery Units for Emergency Lighting system	0.280	-	-	0.280
Guildhall School - Rigging infrastructures in Milton Court Concert Hall	-	0.460	-	0.460
Guildhall School - Safe technical access and working at height - Silk Street Theatre	-	0.345	-	0.345
Smithfield Market - Glass Canopy Overhaul	-	0.300	-	0.300
Smithfield Market - East Poultry Avenue Canopy Repairs and Remedial Works	-	0.600	-	0.600
Smithfield Car Park - Ceiling Coating and Damp Works		1.050		1.050
Beech Street Transportation and Public Realm project top-up to deliver permanent air quality and associated public realm improvements following successful experiment.	2.500	-	-	2.500
DCCS - Social Care Case Management System	0.144	-	-	0.144
IT - Building Management System Wired Network to maximise efficiencies of new BEMS systems	0.083	0.038	0.009	0.130
<b>High Priority Policy:</b>				
Secure City Programme - Year 3	8.936	-	-	8.936
IT Security	0.128	0.058	0.014	0.200
Guildhall Complex Masterplan - Redevelopment of North and West Wing Offices (top-up)		1.150		1.150
Bank Junction Improvements: All Change at Bank - top-up to cover inflation risk of delivering the minimal scheme	0.700	-	-	0.700
IT - HR System Portal required in advance of the new ERP system delivery	0.160	0.073	0.017	0.250
<b>Total Green Funding Bids</b>	<b>14.383</b>	<b>4.589</b>	<b>0.048</b>	<b>19.020</b>

Total 27 (of 47)

## 2022/23 Annual Bids - Initial Assessment Amber

Project Name	City Fund £'m	City's Cash £'m	BHE £'m	Total Funding Allocation £'m	Commentary /why is this Amber
<b>Critical end of life replacement:</b>					
Central Criminal Court - Lighting to South Wing Courts	2.000	-	-	2.000	This was rated as amber in 2021/22 bid round -no significant change since last year. Replacement lighting will be LED - information regarding possible climate action benefits are not currently available.
Barbican Centre - Repairs to roof, expansion joint repairs and drainage and water systems	5.000	-	-	5.000	A holistic approach is required to resolve the long-standing issues with the highwalks, Barbican Centre and Guildhall School. Query re exclusion from Barbican Renewal scope.
Barbican and Golden Lane Healthy Streets and Zero Emissions Zone	2.000	-	-	2.000	The aim is to extend the benefits of the Beech Street air quality etc improvements to the surrounding area encompassing the wider Barbican and Golden Lane area. Need to see the Beech Street benefits delivered before committing additional central funding.
Guildhall Humidification Plant replacement - remaining areas	0.470	0.490	0.020	0.980	The essential areas of the Guildhall are covered by the PSDS grant - the remaining areas were deemed non-essential. Need clarity on Guildhall Masterplan before progression.
DCCS - Library Management System	0.050	-	-	0.050	This bid includes £30k of existing staff costs which results in a net bid for £20k of central funding. Such a sum should be accommodated within existing local risk budgets.
<b>High Priority Policy:</b>					
Walbrook Wharf Feasibility Study - 2027 & beyond	0.350	-	-	0.350	Essential need to start this exercise now is not clear.
IT - Robotic automation: funding to undertake scoping exercise to drive process design to support Robotics and automation	0.032	0.015	0.004	0.050	Whilst this bid appears complementary to the ERP project the essential need is not clear.
IT - Data Repository/Warehouse	0.192	0.087	0.021	0.300	The aim is to fulfil an organisation need for infrastructure to clean and contain data that can be easily accessed and used to make better decisions and may offer opportunities to commercialise data. Amber as the essential need unclear.
Guildhall Complex Post Covid New Ways of Working - Stage 2 works and furniture	1.008	1.050	0.042	2.100	Whilst new ways of working are a high priority, the model has yet to be agreed alongside the Guildhall Masterplan and therefore this bid appears premature.
St Paul's Gyrotory	16.320	-	-	16.320	Whilst there are considerable benefits to this scheme (road safety, air quality etc), the extent of the central funding requirement is overstated in this bid as significant external developer contributions are envisaged. Consideration of a minimal allocation to fund the investigations to inform the central funding requirement may be appropriate at this stage.
<b>Other:</b>					
IT - Application rationalisation funding to undertake scoping exercise to eliminate duplicate software applications	0.032	0.015	0.004	0.050	Whilst this is a sensible forward thinking suggestion, it is not a good fit with the current essential prioritisation criteria. The request is for funding to consider the art of the possible.
IT - CRM development for Markets	0.032	0.015	0.004	0.050	Business need for a cross-market customer relationship management system to manage stakeholder/customer contacts, with the potential to generate income from the product with other wholesale markets in the UK. Not a good fit with current essential prioritisation criteria .
<b>Total Amber Funding Bids</b>	<b>27.486</b>	<b>1.671</b>	<b>0.094</b>	<b>29.250</b>	
Total 12 (of 47)					

## 2022/23 Annual Bids - Initial Assessment Red

Project Name	City Fund £'m	City's Cash £'m	BHE £'m	Total Funding Allocation £'m	Commentary /why is this Red
<b>Critical End of Life Replacement</b>					
Heating Replacement – Mayors and City of London Court	-	1.350	-	1.350	This court is due to move to the new court at Fleet Street and a capital receipt is included in the Salisbury Square funding Strategy. We need to develop the disposal strategy in order to determine whether a new heating system represents sound VFM.
Walbrook Wharf Full Replacement of Phase 2 Heating & Cooling System	0.735	-	-	0.735	An appropriate asset management strategy needs to be in place which depends on plans for the future of Walbrook Wharf.
IT - Libraries IT Refresh ( top-up bid)	0.280	-	-	0.280	This is a request for top-up on the £220k agreed in principle as part of the 2021/22 bids. Feedback is that the increases in scope/cost are in the nature of 'nice to haves' rather than essentials.
Barbican Centre - Replace live streaming infrastructure	0.700	-	-	0.700	There is a strong likelihood of securing external funding for this work, negating the essential need for central funding.
<b>Health and Safety</b>					
65 Basinghall - Switch Room - Asbestos and Live Electrical Equipment Removal, and Water Ingress Solution	0.612	0.637	0.025	1.274	These works were proposed to unused areas in 65 Basinghall Street on the assumption that it is required for the JCCR - this has not been confirmed. Options for the Guildhall Masterplan may overtake the need to undertake these works in isolation.
Hampstead Heath Pergola Oak Structures repair and replacement	-	1.500	-	1.500	This scheme is to be used as a pilot for raising external funding to deliver improvements on the Open Spaces, negating the need for central funding.
<b>Other</b>					
St Paul's Cathedral Re-Lighting	1.500	-	-	1.500	Since 1966, there has been an informal arrangement whereby the maintenance of the external lighting system and running costs are the responsibility of the Corporation. The annual running costs of £25k would reduce to £10k if implemented (a 100 year payback on the proposed City investment of £1.5m). Efforts to continue to raise additional external funding (including from the Church) in accordance with the previously agreed external funding strategy should be pursued to support the existing pledge of £500k. There is also a possibility to secure developer funding through S106 obligations on future developments in the vicinity.
Healthy Streets Minor Schemes Programme	1.000	-	-	1.000	This request is for a general provision to undertake numerous ad-hoc minor improvements (<£50k) on-street, to address road safety etc issues, many of which previously would have been funded through TfL programmes or local risk. Should be looking to external funding (S278 etc) and local risk budgets for such minor schemes.
<b>Total Red Funding Bids</b>	<b>4.827</b>	<b>3.487</b>	<b>0.025</b>	<b>8.339</b>	
Total 8 (of 47)					

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# Agenda Item 7

<b>Committee(s):</b> Resource Allocation Sub Committee – for Decision Bridge House Estates Board – for Decision	<b>Date(s):</b> 19 November 2021 24 November 2021
<b>Subject:</b> Capital Funding Update	<b>Public</b>
<b>For City’s Cash and City’s Fund, which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly, and for BHE, insofar as they are considered to be in the best interests of the charity to support?</b>	The schemes for which funding is now requested span across a range of corporate outcomes
<b>For Bridge House Estates (BHE), which outcomes in the BHE Bridging London 2020 – 2045 Strategy does this proposal aim to support?</b>	1,2&3
<b>Does this proposal require extra revenue and/or capital spending?</b>	Yes
<b>If so, how much?</b>	£2.654m (+ £30k reallocation of existing funding)
<b>What is the source of Funding?</b>	£2.612m from various City Fund Reserves, £36k from City’s Cash reserves and £6k from BHE Unrestricted Income Fund. (+ £30k of City Fund reserves reallocated)
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	Yes
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Dianne Merrifield, Group Accountant	

## Summary

This report follows on from previous papers on capital prioritisation and the 2020/21 and 2021/22 rounds of annual capital bids.

Members are reminded of the two-step funding mechanism via the annual capital bid process:

- Firstly, within available funding, ‘in principle’ approval to the highest priority bids is sought and appropriate provisions are set aside in the annual capital and revenue budgets and the MTFPs.
- Secondly, following scrutiny via the gateway process to provide assurance of robust option appraisal, project management and value for money, RASC are asked to confirm that these schemes remain a priority for which funding should be released at this time.

The purpose of this report is two-fold - approval to the reallocation of funding between schemes to address an anticipated budget shortfall and to the release of funding post gateway approvals to allow schemes to progress.

The approved annual capital bids for 2020/21 currently total £84.9m of which £28.3m has been drawn down to date. A schedule of the current 2020/21 allocations is included in Appendix 1 for information. The second annual bid round for 2021/22 granted in principle funding approval to bids with a current value of £82.8m of which draw-downs of £6.4m have been agreed. A schedule of the current 2021/22 allocations is included in Appendix 2 for information.

The Barbican Renewal project is currently progressing outside of the gateway process with an initial budget of £150k met from local risk. A top-up of £30k is now required to take the options work through to the end of the current financial year. In order to remain within existing provisions, the 'one-in, one-out' approach has been adopted to identify funding from savings on other bids. The central funding requirement for the Planning & Regulatory Services Casework Management System ('PRSCMS') project, agreed as part of the Fundamental Review, is some £220k lower than anticipated and therefore it is proposed to reallocate £30k of these savings to provide funding for the Barbican Renewal.

In addition, release of £2.654m to allow progression of the three schemes summarised in Table 1 (para 10) is now proposed. Funding for these schemes can be met from the provisions set aside from the reserves of the three main funds: £2.403m from the On Street Parking Reserve, £141k from CIL and £68k from revenue reserves (all City Fund), plus £36k from City's Cash general reserves and £6k from the Bridge House Estates Unrestricted Income Fund.

Members will recall that financial disciplines currently in place include that central project funding may be withdrawn for schemes that slip by more than one year. A review is underway and a report detailing any unallocated central funding provisions will be brought to committee for review following discussions taking place at the bi-lateral meetings in January 2022.

### **Recommendations**

Resource Allocation Sub Committee Members are requested -

- (i) To agree to apply the 'one-in, one-out' approach to reallocate £30k from savings on the PRSCMS project to provide top-up funding to take the Barbican Renewal project through to the end of 2021/22.
- (ii) To review the schemes summarised in Table 1 and, particularly in the context of the current financial climate, to confirm their continued essential priority for release of funding at this time; and accordingly
- (iii) To agree the release of up to £2.648m for the schemes in Table 1 from the reserves of City Fund and City's Cash as appropriate, subject to the required gateway approvals.
- (iv) To note that in order to maintain sound financial discipline a review of unallocated central project funding provisions will be brought to Members following discussions taking place at the bi-lateral meetings in January 2022.

Bridge House Estates (BHE) Board Members are requested –

- (v) To agree the release of a £6k contribution towards the costs of progressing the Guildhall cooling plant replacement project to the next gateway, to be met from

the Unrestricted Income Fund with funding previously approved within the 2021/22 budget.

## Main Report

### Background

1. As part of the fundamental review, Members agreed the necessity for effective prioritisation of capital and SRP projects, with central funding allocated in a measured way. This has been achieved via the annual capital bid process which applies prioritisation criteria to ensure that corporate objectives are met, and schemes are affordable.
2. The following criteria against which capital and supplementary revenue projects are assessed have been agreed as:
  - i. Must be an essential scheme (Health and Safety or Statutory Compliance, Fully/substantially reimbursable, Major Renewal of Income Generating Asset, Spend to Save with a payback period < 5 years.)
  - ii. Must address a risk on the Corporate Risk register, or the following items that would otherwise be escalated to the corporate risk register:
    - a. Replacement of critical end of life components for core services;
    - b. Schemes required to deliver high priority policies; and
    - c. Schemes with a high reputational impact.
  - iii. Must have a sound business case, clearly demonstrating the negative impact of the scheme not going ahead, i.e. penalty costs or loss of income, where these are material.

The above criteria were used as the basis for prioritising the annual capital bids.
3. The scope of schemes subject to this prioritisation relates only to those funded from central sources, which include the On-Street Parking Reserve, Community Infrastructure Levy (CIL), flexible external contributions and allocations from the general reserves of City Fund, City's Cash or BHE<sup>1</sup>. This means that projects funded from most ring-fenced funds, such as the Housing Revenue Account, Designated Sales Pools and Cyclical Works Programmes *are excluded*, as well as schemes wholly funded from external grants, and tenant/ developer contributions e.g. under S278 agreements and S106 deposits.
4. Members are reminded of the two-step funding mechanism via the annual capital bid process:
  - Firstly, 'in principle' approval to the highest priority bids within available funding is sought and appropriate provisions are set aside in the annual capital and revenue budgets and the MTFPs.
  - Secondly, following scrutiny via the gateway process, to provide assurance of robust option appraisal, project management and value for money, RASC and/or BHE Board are asked to confirm that these schemes remain a priority for which funding should be released at this time.

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<sup>1</sup> Contributions from Bridge House Estates are limited to its share of corporate schemes such as works to the Guildhall Complex or corporate IT systems and are subject to the specific approval of the Bridge House Estates Board.

## Current Position

- From the 2020/21 bid round, central funding of £84.9m is currently allocated for new capital bids across the three main funds. To date, £28.327m has been drawn down to allow 37 of these schemes to be progressed. A schedule of the current 2020/21 allocations is included in Appendix 1 for information.
- Central funding of a further £82.8m across the three main funds for the 2021/22 new bids is currently allocated, of which drawdowns of £6.347m has been approved in respect of 10 schemes. A schedule of the 2021/22 allocations is included in Appendix 2 for information.

## Proposals

### 'One-in, One-Out' Reallocation of Funding

- Members have previously agreed that requests for additional funding outside of the annual capital bid process should be met from within the existing sums set aside for new schemes on a 'one-in, one-out' basis.
- The Barbican Renewal project is currently progressing outside of the gateway process with an initial budget of £150k met from local risk. A top-up of £30k is now required to take the options work through to the end of the current financial year. In order to remain within existing provisions, the 'one-in, one-out' approach has been adopted to identify funding from savings on other bids.
- The central funding requirement for the Planning & Regulatory Services Casework Management System ('PRSCMS') project, agreed as part of the Fundamental Review, is some £220k lower than anticipated and therefore it is proposed to reallocate £30k of these savings to provide top-up funding for the Barbican Renewal.

### Current Requests for the Release of Funding

- There are three schemes with 'in principle' funding approved as part of the capital bids that are progressing through the gateways for which release of £2.654m is now requested as summarised in Table 1, of which £2.403m directly relates to the Climate Action Strategy:

	Next Gate-way	Capital Bid Round	City Fund	City's Cash	Bridge House Estates	Total
<b>Table 1: Project Funding Requests</b>						
<b>Funding to progress to the next gateway</b>						
Barbican and Golden Lane Healthy Streets	G3	2021/22	0.141			0.141
Guildhall Cooling Plant Replacement	G4	2020/21	0.068	0.036	0.006	0.110
<b>Full Funding for Scheme Implementation</b>						
Pedestrian Priority Programme (Climate Action)	G6	2021/22	2.403			2.403
<b>Total Requested for Release of Funding</b>			<b>2.612</b>	<b>0.036</b>	<b>0.006</b>	<b>2.654</b>

Further details of the individual schemes are provided in Appendix 3 attached.



11. In accordance with step two of the capital funding mechanism, Members will wish to confirm that these schemes remain a priority for funding to be released at this time particularly in the context of the current financial climate.
12. The funding for these schemes can be met from the existing provisions set aside from the relevant reserves of the three main funds as set out in Table 1.
13. Additional approval of the BHE Board is required to release a £6k contribution towards the costs of progressing the Guildhall cooling plant replacement project to the next gateway, to be met from the Unrestricted Income Fund.

### **Financial Discipline**

14. Members will recall that financial disciplines currently in place allow for central project funding to be withdrawn for schemes that slip by more than one year - unless an exceptional case is agreed by the Resource Allocation Sub Committee. There is currently a significant number of schemes with either minimal or zero drawdowns against central funding allocations that were either agreed as part of the fundamental review or via the 2020/21 annual capital bids. Accordingly, a review is currently underway to identify any schemes that are not being actively progressed, to be reported following discussions taking place at the bi-lateral meetings. This will ensure that any unrequired funding is available to redirect to the highest priority areas.

### **Conclusion**

15. The purpose of this report is two-fold - approval to the reallocation of funding between schemes to address unexpected shortfalls *and* to the release of funding for projects progressing through the gateways, to allow them to progress.
16. Adopting the 'one-in, one-out' approach, the reallocation of £30k to provide top-up funding for the Barbican Renewal scheme is requested to be met from savings on the PRSCMS project (refer to paragraphs 7 - 9).
17. Requests for the release of £2.654m to allow three schemes to progress are set out in Table 1 (refer to paragraph 10 and appendix 3).
18. The funding for these schemes can be met from the existing provisions set aside from the relevant reserves of the three main funds as set out in Table 1, which were agreed via the 2020/21 and 2021/22 annual capital bids: £68k from City Fund general revenue reserves, £2.403m from the On Street Parking Reserve and £141k from CIL; £36k from City's Cash Reserves and £6k from the BHE Unrestricted Income Fund. It should be noted that the release of the £6k Bridge House Estates contribution is subject to the approval of the BHE Board.
19. Members will recall that financial disciplines currently in place include that central project funding may be withdrawn for schemes that slip by more than one year. Therefore, a review of unallocated central funding provisions is underway which will be brought to committee for review following discussions taking place at the bi-lateral meetings.

## **Appendices**

Appendix 1– 2020/21 Approved Bids

Appendix 2 - 2021/22 Approved Bids

Appendix 3 – Requests for Release of Funding – Scheme Details

## **Background Papers**

- Annual Capital Prioritisation Report, 12 December 2019 (Non-Public).
- Prioritisation of Remaining 2020/21 Annual Capital Bids (Deferred from December 2019 Meeting), 23 January 2020 (Non-Public)
- Re-prioritisation of 2020/21 Approved Capital Bids, 18 September 2020 (Non-Public)
- Capital Funding – Prioritisation of 2021/22 Annual Capital Bids – Stage 2 Proposals, 10 December 2020 (Public)

### **Dianne Merrifield**

Group Accountant, Capital

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## Appendix 1

Approved Bids 2020/21						THIS REPORT	
Project Name	City Fund £'m	City's Cash £'m	BHE £'m	Total Funding Allocation £'m	Funding Allocation After Re- prioritisation	Release of Funding Previously agreed	Release of Funding now requested
<b>Critical End of Life Replacement</b>							
Barbican Replacement of Art Gallery Chiller	0.300	-	-	0.300	0.300	0.018	-
Car Park - London Wall Joints and Waterproofing	2.000	-	-	2.000	2.000	-	-
Car Park - Hampstead Heath, East Heath Car Park Resurface	-	0.415	-	0.415	0.415	0.387	-
Central Criminal Court - Replacement for Heating, Cooling and Electrics for the East Wing Mezzanine including the sheriff's apartments.	1.000	-	-	1.000	1.000	1.000	-
Finsbury Circus Garden Re-instatement	2.558	-	-	2.558	2.558	2.542	-
Guildhall - North and East Wing Steam Generator replacement – including Art Gallery	0.744	0.396	0.060	1.200	0.002	0.002	-
Guildhall - West Wing - Space Cooling - Chiller Plant & Cooling Tower Replacement	1.860	0.990	0.150	3.000	4.433	0.279	0.110
Guildhall event spaces - Audio & Visual replacement / upgrade	-	0.330	-	0.330	0.330	0.045	-
Guildhall Yard - Refurbishment/ Replacement of Paviments	-	3.000	-	3.000	3.000	-	-
I.T - Computer Equipment rooms (CER) Uninterrupted Power Supplies (UPS)Upgrades and Replacements	0.090	0.100	0.010	0.200	0.200	0.200	-
I.T - Essential Computer (Servers) operating system refresh programme	0.068	0.075	0.008	0.151	0.095	0.095	-
I.T - Personal device replacement (Laptops, Desktops and tablet/mobile device)	1.013	1.125	0.112	2.250	2.250	2.250	-
I.T - Rationalisation of Financials, HR & Payroll Systems (ERP project)	2.654	2.949	0.295	5.898	6.768	0.554	-
I.T - Telephony replacement ***	0.873	0.343	0.034	1.250	-	-	-
LMA : Replacement of Fire Alarm, Chillers and Landlords Lighting and Power	1.397	-	-	1.397	1.397	0.145	-
Oracle Property Management System Replacement	0.713	0.380	0.058	1.151	1.151	1.150	-
Structural - Lindsey Street Bridge Strengthening	5.000	-	-	5.000	5.000	0.030	-
Structural - Dominant House Footbridge	1.025	-	-	1.025	1.025	0.287	-
Structural - West Ham Park Playground Refurbishment	-	1.279	-	1.279	1.279	0.863	-
<b>Fully or substantially reimbursable</b>							
Barbican Turret John Wesley High Walk	0.043	-	-	0.043	0.043	0.043	-
Chingford Golf Course Development Project	-	0.075	-	0.075	0.075	-	-
<b>High Profile Policy Initiative</b>							
Bank Junction Transformation (All Change at Bank)	4.000	-	-	4.000	4.000	4.000	-
Culture Mile Implementation Phase 1 incl CM experiments and Culture Mile Spine	0.580	-	-	0.580	0.580	0.580	-
I.T - Smarter working for Members and Officers	0.113	0.125	0.013	0.251	0.185	0.185	-
Rough Sleeping - assessment hub	1.000	-	-	1.000	1.000	0.788	-
Rough Sleeping High Support Hostel - Option 3	0.500	-	-	0.500	0.500	0.355	-
Secure City Programme	15.852	-	-	15.852	15.852	4.116	-
<b>Statutory Compliance/Health and Safety</b>							
Barbican Exhibition Halls	5.000	-	-	5.000	1.549	1.548	-
Barbican Podium Waterproofing, Drainage and Landscaping Works (Ben Jonson, Breton & Cromwell Highwalk) Phase 2 – 1st Priority	13.827	-	-	13.827	13.827	1.517	-
Covid19 Phase 3 Transportation Response*	-	-	-	-	0.568	0.568	-
City of London Primary Academy Islington (COLPAI) temporary site	-	0.300	-	0.300	0.583	0.583	-
Golden Lane Lighting and Accessibility	0.500	-	-	0.500	0.500	0.500	-
Guildhall - Great Hall - Internal Stonework Overhaul	-	2.000	-	2.000	2.000	1.740	-
Guildhall - Installation of Public Address & Voice Alarm (PAVA) and lockdown system at the Guildhall (Security Recommendation)	0.930	0.495	0.075	1.500	1.500	0.118	-
I.T - Critical Security Works agreed by the DSSC **	0.112	0.125	0.013	0.250	-	-	-
I.T - GDPR and Data Protection Compliance in addition saving money in being able to share and find information quickly	0.090	0.100	0.010	0.200	0.200	-	-
Confined and Dangerous Spaces - Barbican Centre	2.000	-	-	2.000	2.000	0.098	-
Confined and Dangerous Spaces - GSMD	-	0.400	-	0.400	0.400	0.019	-
Fire Safety - Car Park London Wall - Ventilation, electrics, lighting and fire alarm works	1.370	-	-	1.370	1.370	0.250	-
Fire Safety - Works in car parks	1.032	-	-	1.032	1.032	0.699	-
Fire Safety - Frobisher Crescent, Barbican Estate (compartmentation) *	0.550	-	-	0.550	1.203	1.203	-
Fire Safety - Smithfield sprinkler head replacement and fire door replacement.	-	0.150	-	0.150	0.150	0.020	-
Queen's Park Public Toilet Rebuild	-	0.380	-	0.380	-	-	-
Spitalfields Flats Fire Door Safety	0.146	-	-	0.146	0.146	-	-
<b>Spend to save with a payback &lt; 5 years</b>							
Energy programme of lighting and M&E upgrade works (Phase 1)	0.440	0.489	0.049	0.978	0.743	0.050	-
I.T - GDPR Compliance Project Unstructured data	0.112	0.125	0.013	0.250	-	-	-
Wanstead Flats Artificial Grass Pitches (spend to save > 5 years)	-	-	-	-	1.700	-	-
The Monument Visitor Centre	-	2.500	-	2.500	-	-	-
<b>Total Approved Funding Bids</b>	<b>69.492</b>	<b>18.646</b>	<b>0.900</b>	<b>89.038</b>	<b>84.909</b>	<b>28.327</b>	<b>0.110</b>

<u>Previous Funding Allocation</u>	89.038
Net reductions from previous reprioritisation exercise (September 2020)	- 4.032
* Reallocated from the 2021/22 annual bids and fundamental review schemes	0.653
* £0.500m of capital funding foregone in place of revenue funding solution (telephony/security)	- 0.500
*** £0.250m of capital funding foregone in place of a revenue funding solution (telephony/security)	- 0.250
	84.909

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Approved Bids 2021/22				THIS REPORT			
Project Name	City Fund £'m	City's Cash £'m	BHE £'m	Total Funding Allocation £'m	Latest Funding Allocation after Reprioritisation	Release of Funding Previously agreed	Release of Funding now requested
<b>Critical End of Life Replacement</b>							
OSD - Tower Hill Play Area Replacement Project	0.120			0.120	0.120		
SVY - BEMS Upgrade Project-CPG Estate – Phase 1	0.507	0.375	0.022	0.904	0.904	0.451	
SVY - Smithfield Condenser Pipework Replacement		0.564		0.564	0.564		
CHB - IT SD WAN /MPLS replacement	0.320	0.145	0.035	0.500	0.500	0.050	
CHB - IT LAN Support to Replace Freedom Contract	0.096	0.043	0.011	0.150	0.150		
CHB - Libraries IT Refresh	0.220			0.220	0.220		
BBC - Barbican Centre - Catering Block Extraction	0.400			0.400	0.400		
<b>High Profile Policy Initiative</b>							
DBE - Secure City Programme Year 2	4.739			4.739	4.739	1.600	
SVY - Guildhall Complex Masterplan - initial feasibility and design work		0.350		0.350	0.350		
<b>Statutory Compliance/Health and Safety</b>							
DCCS - Fire Doors Barbican Estate*	20.000			20.000	19.597	0.275	
SVY - St Lawrence Jewry Church - Essential works (Top-Up Funding)		2.565		2.565	2.565	2.136	
SVY - Denton Pier and Pontoon Overhaul Works	1.000			1.000	1.000	0.05	
OSD - Hampstead Heath Swimming Facilities - Safety, Access and Security Improvements		0.755		0.755	0.755	0.064	
DBE - Public Realm Security Programme	1.238			1.238	1.238		
DBE - Beech Street Transportation and Public Realm project (Top-Up Bid)	0.900			0.900	0.900		0.141
MAN - Central Criminal Courts, Fire Safety and associated public address system (Top-up bid)	0.683			0.683	0.683		
MAN - Central Criminal Court Cell Area Ducting and Extract System Balancing	1.000			1.000	1.000		
SVY - Riverbank House, Swan Lane - repairs to foreshore river defence	0.500			0.500	0.500		
CHB - Public Services Network replacement	0.064	0.029	0.007	0.100	0.100		
GSMD - Guildhall School - Silk Street Ventilation Heating and Cooling		2.000		2.000	2.000		
GSMD - Guildhall School - Milton Court Correction of Mechanical Systems		0.600		0.600	0.600		
GSMD - Guildhall School - John Hosier Ventilation and Temperature Control		0.700		0.700	0.700		
CHB - IT Security**	0.192	0.087	0.021	0.300	0.000		
<b>Spend to save with a payback &lt; 5 years</b>							
SVY - Energy Reduction Programme – Phase 2	0.194	0.181		0.375	0.375		
<b>Sub-Total - Bids Fulfilling the Funding Criteria excluding</b>	<b>32.173</b>	<b>8.394</b>	<b>0.096</b>	<b>40.663</b>	<b>39.960</b>	<b>4.626</b>	<b>0.141</b>
<b>Climate Action :</b>							
DBE - Public Realm (Pedestrian Priority)	6.050			6.050	6.050	0.051	2.403
OSD - Climate Action Strategy		2.120		2.120	2.120	0.690	
DBE - Embed climate resilience measures into Public Realm works (Cool Streets and Greening)	6.800			6.800	6.800	0.980	
SVY -Energy Efficiency / Net Zero Carbon - Investment Estate - City Fund	4.340			4.340	4.340		
SVY - Energy Efficiency / Net Zero Carbon - Investment Estate - Strategic Estate City Fund	0.000			-	-		
SVY - Climate Resilience Measures	4.000	0.000		4.000	4.000		
SVY - Climate Action Strategy Projects CPG Operational Properties	11.723	7.138	0.649	19.510	19.510		
<b>Sub-Total - Climate Action</b>	<b>32.913</b>	<b>9.258</b>	<b>0.649</b>	<b>42.820</b>	<b>42.820</b>	<b>1.721</b>	<b>2.403</b>
<b>Total Bids Fulfilling the Funding Criteria</b>	<b>65.086</b>	<b>17.652</b>	<b>0.745</b>	<b>83.483</b>	<b>82.780</b>	<b>6.347</b>	<b>2.544</b>

<b>Previous Funding Allocation</b>	83.483
* £0.403m reallocated as top-up funding for the Frobisher Crescent Fire Compartmentation Project (2020/21 Bid)	-0.403
** £0.300m of capital funding foregone in place of a revenue funding solution (telephony/security)	-0.300
<b>Latest Funding Allocation</b>	<b>82.780</b>

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### **Requests for Release of Funding – Scheme Details**

The following provides details of the three schemes for which approval to release central funding of up to £2.654m is now sought, as summarised in Table 1 of the main report.

(i) **Barbican and Golden Lane Healthy Streets – release of £141k of Beech Street funding to progress the scheme**

- The project objective is to improve air quality and the walking/cycling experience in the Barbican and Golden Lane area including additional greening. The Beech Street initiative is complementary to this scheme.
- The ‘in principle’ funding from central City Fund resources (CIL) was agreed as part of the 2021/22 capital bid for the Beech Street Transportation and Public Realm initiative on health and safety grounds.
- The request is for the release of up to £141k to develop options to the next gateway.

(ii) **Guildhall Cooling Plant Replacement - release of £110k to progress the scheme**

- This project is to provide a long-term solution to meet the cooling needs of the Guildhall Complex in the most cost effective and environmentally efficient way.
- The ‘in principle’ funding for this scheme was approved as part of the 2020/21 capital bids to be met from the reserves of the three main funds on an apportioned basis. The essential need to replace the current end of life system is readily apparent, particularly for the occupants of the West Wing.
- This request is for a drawdown of £110k to reach the next gateway which includes a sum of £6k from the Bridge House Estates Unrestricted Income Fund for which separate approval from the Bridge House Estates Board is required.

(iii) **Pedestrian Priority Programme – release of up to £2.403m to deliver the Phase One interventions of the Climate Action Strategy scheme**

- This is a three- year programme implementing pedestrian priority schemes to enhance the comfort and safety of people walking in the square mile.
- The ‘in principle’ funding of £6m over three years was approved as part of the 2021/22 capital bids for the delivery of the Climate Action Strategy, to be met from the On-Street Parking Reserve. A sum of £51k has previously been released to reach the current gateway.
- This request is for approval to drawdown a further sum of £2.403m to meet the cost of delivering the Phase 1 interventions. This involves the issuing of experimental traffic orders to determine whether certain temporary measures delivered through the Covid19 City Streets programme can be retained and to make them permanent in appropriate cases.

19/11/21 RASC

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	24 November 2021
<b>Subject:</b> BHE Budget Uplift Request - Staffing	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?</b>	<b>2 and 3</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>Yes</b>
<b>If so, how much?</b>	<b>£14k</b>
<b>What is the source of Funding?</b>	<b>BHE Central Contingency Fund</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>Yes</b>
<b>Report of:</b> City Surveyor	<b>For decision</b>
<b>Report Author:</b> Jonathan Cooper (Assistant Director – Head of Surveying & Engineering Projects – City Surveyor’s) & Christopher Earlie (Head of Tower Bridge)	

## Summary

This report requests approval of a 2021/22 budget uplift of £14k to extend the funding (from December 2021) for the interim role of Tower Bridge Programme Co-ordinator until 31<sup>st</sup> March 2022.

The role provides oversight of the delivery of the 50-Year Maintenance Plan for Tower Bridge including planned upgrade projects and co-ordination of stakeholder activities to reduce costs and interruptions to bridge operations. The role has been in place for around 12 months and has been very successful. The role has already identified many synergies between projects that will result in both savings and reduced operational impact to the Bridge. Currently the role provides a part-time service working 2 days a week. The role description is being discussed with key stakeholders at Tower Bridge to ascertain the extent and permanency of this role beyond March 2022, with particular reference to the ongoing establishment of an officer structure within the charity.

## Recommendation

- i) It is recommended that Members approve this additional funding of £14k from the BHE Central Contingency Fund, to enable this role to continue supporting the co-ordination of major construction activities, by various stakeholders to Tower Bridge.

## Main Report

### Background

1. This role was identified by the City Surveyor’s department and Tower Bridge to provide strategic support of construction activities at Tower Bridge. The role has been covering 5 key areas:

- a) To oversee the delivery of the 50-year maintenance plan for Tower Bridge in consultation with the Head of Tower Bridge, Department of the Built Environment (DBE), City Surveyor's Department (stakeholders) and other parties as required. Coordination between CoL departments including asset management, Heritage, Minor works, Facilities Management, DBE, Highways, and the capital projects team.
  - b) To regularly liaise with the responsible officer for individual project progress and report on status to Head of Tower Bridge, Department of Built Environment and City Surveyor.
  - c) To closely liaise with Tower Bridge to agree the programmed delivery of works so as not to impact on operations and business.
  - d) To review business cases, assist with progress and committee reports as necessary for the relevant spending, projects committees (Gateway process), attend/ present at meetings as required.
  - e) To chair the Tower Bridge 50-year plan review meetings and to provide key input as a member of the Tower Bridge Strategic Coordination Group. To attend any other meetings associated with the programme of works or projects as required.
2. It sought to identify project conflicts and opportunities to minimise the operational impact presented by construction and infrastructure projects. The role has also sought to agree roles and responsibilities of cyclical maintenance activities between departments such as the City Surveyor's, Department of Built Environment and external parties such as TfL.
  3. A crucial element to this role has been to lead on the procurement of detailed condition surveys to ensure that the 50-year maintenance plan (used to plan works at the bridge) is correct. This is in progress and will soon provide essential information on the current condition status of all elements of the Bridge.

### **Corporate and Strategic Implications**

4. Strategic implications: The post outlined in this paper support the aims and objectives of BHE's overarching strategy, *Bridging London 2020 – 2045*. This role supports the charity in becoming more effective and efficient in its operational delivery.
5. Resource implications: Funding of £14k is requested to support the 4-month extension to the post from December 2021 until March 2022.
6. Legal implications: nil.
7. Equalities implications: BHE is committed to equal opportunities in service provision and for all its employees and promotes equity, diversity and inclusion in its employment practices.

8. Financial implications: A budget uplift for 2021/22 of £14k for staffing to be approved, funded from the BHE Central Contingency fund. This budget will be held within City Surveyor's with any future funding built into the City Surveyor's 2022/23 budget.
9. Climate implications: nil
10. Security implications: nil

## **Conclusion**

11. This has proven to be a successful role over the last 12 months. It is recommended that additional funding be agreed so that this role can continue to support the co-ordination of major construction activities to Tower Bridge.

### **Jonathan Cooper**

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	24 November 2021
<b>Subject:</b> Update on BHE Contingency Funds	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?</b>	<b>All</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>Report of:</b> Managing Director, BHE and The Chamberlain	<b>For information</b>
<b>Report Author:</b> Karen Atkinson, Head of Charity and Social Investment Finance	

## Summary

This report has been produced to provide Members with an update on the 2021/22 Central Contingencies uncommitted balances held by Bridge House Estates (BHE).

Since the last report to the Board in November, funding of £78,635 has been approved under urgency as the charity's contribution towards the City Corporations' Microsoft licences. A separate request is being presented at this meeting for consideration relating to the role of Tower Bridge Project Coordinator for £14,000.

In the report on contingencies presented to the September Board meeting, Members were informed that a review of the apprentice costs provision was being undertaken. This has determined that approval was given prior to the constitution of this Board for an apprentice at Tower Bridge for 2021/22. The £24k cost relating to this has now been deducted from the fund held for this purpose.

## Recommendation

It is recommended that Members, in discharge of functions for the City Corporation as Trustee of Bridge House Estates (charity reg. no. 1035628) and solely in the charity's best interests:

- a) Note the central contingency budgets currently held by BHE for 2021/22 (para 4);
- b) Note that £14k is being requested from the central contingency provision at Paper 8 for the Tower Bridge Project Coordinator role (para 7).

## Main Report

### Background

1. The annual budgets prepared by departments for the activities of BHE that are within their responsibility do not hold any significant contingencies. The budgets directly overseen by the BHE Board include central contingencies to meet unforeseen and/or exceptional items that may be identified across the range of activities undertaken by the charity. Requests for allocations should demonstrate why the costs cannot, or should not, be met from existing provisions.

2. The central contingency budget held for BHE for 2021/22 is £850k, following an uplift approved by Court in October 2021.
3. In addition to the above central contingency, the BHE budget includes provisions of £175k for apprentice costs and £50k for joint projects with the City Corporation. The latter fund is held to enable smooth decision making for cross-cutting Corporation projects that affect all three funds, enabling the Finance Committee to consider the impact of the total request. The BHE Board approves its portion of any such joint project.

### Current position

4. The uncommitted balances that are currently available for 2021/22 are set out in the table below:

<b>2021/22 Central Contingencies - Uncommitted Balances 24 November 2021</b>					
	Central Fund	Contribution Pay	Apprentice costs	Joint Projects with City Corporation	Total
	£'000	£'000	£'000	£'000	£'000
<b>Contingencies:</b>					
2021/22 Provision approved		40	175	50	265
2021/22 Provision uplift approved	810				810
2021/22 Transfers	40	(40)			0
<b>Total Provision</b>	<b>850</b>	<b>0</b>	<b>175</b>	<b>50</b>	<b>1,075</b>
Previously agreed allocations @ Sep 2021	(268)	0	(24)	0	(292)
Approved under Urgency	(48)	0	0	(31)	(79)
Pending request on Nov 21 agenda	(14)	0	0	0	(14)
<b>Total commitments</b>	<b>(330)</b>	<b>0</b>	<b>(24)</b>	<b>(31)</b>	<b>(385)</b>
<b>Uncommitted Balances @ Nov 2021</b>	<b>520</b>	<b>0</b>	<b>151</b>	<b>19</b>	<b>690</b>

The amounts which the Board has either previously allocated or are pending approval are detailed in **Appendix 1**, within the non-public agenda.

5. A review has taken place since the last Board meeting to determine previous amounts approved for the cost of apprentices within BHE. This has confirmed that a single apprentice role was approved for 2021/22 at Tower Bridge, at a cost of £24,000. This provision held for this purpose now reflects this decision.
6. During October, approval was given under urgency for funding towards an upgrade for Microsoft Licences held by the City Corporation. Of the total £78,635 approved, £30,635 was from the Joint Projects contingency fund - being the unfunded element of the project, with £48,000 from the Central contingency fund – being an amount previously approved as capital funding.
7. Within the reports presented at this meeting, a request is being made for continuation funding in 2021/22 of £14,000 for a Project Coordinator role at Tower Bridge.
8. At the time of preparing this report, there are no further requests for allocations from the contingency funds elsewhere on the agenda.

9. Strategic implications: The provision of a suitable contingency budget held by the BHE Board as outlined in this paper support the aims and objectives of BHE's overarching strategy, *Bridging London 2020 – 2045*.
10. Resource implications: nil.
11. Legal implications: nil.
12. Equalities implications: nil.
13. Financial implications: The contingency funds noted within this report are an approved element of the 2021/22 budget held by BHE. Applications to utilise these funds do not therefore create additional demand from the reserves held by the charity.
14. Climate implications: nil
15. Security implications: nil

## **Conclusion**

16. Members are asked to note the current contingency budgets held by BHE, and to note the request for continuation funding for the role of Project Coordinator at Tower Bridge from the Central contingency fund at Agenda Item 8.

### **Karen Atkinson**

Head of Charity & Social Investment Finance

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	24 November 2021
<b>Subject:</b> Budget monitoring: 1 April to 30 September 2021	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?</b>	<b>All</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>Report of:</b> Charities Finance Team, Chamberlains	<b>For information</b>
<b>Report Author:</b> Sachin Shah, BHE Transformation Project Accountant	

## Summary

This report provides a financial update of Bridge House Estates (BHE) activities from the start of the current financial year to 30 September 2021, alongside the latest forecast for the year. Year-to-date, the charity has generated income of £21.1m in comparison to the budget of £22.1m. The income shortfall is mainly attributable to voids and rent-free periods agreed with tenants within the charity's investment property portfolio.

Expenditure to date is £21.2m in comparison to the year-to-date budget of £79.4m resulting in a total under spend of £58.2m. Alongside changes to the anticipated timeline on bridges repairs, the variance is mainly driven by grant expenditure commitments being behind the original plans with most reactive grant programmes paused during the first lockdown. Whilst much of the reactive grant programme has resumed, some strands still remain on hold as they are being reviewed in the current context.

## Recommendations

Members are asked to note this report and provide feedback on the content/presentation.

## Main report

1. This paper reports on the range of activities across BHE and includes the current financial position of the charity and the latest projection of year end income, expenditure and overall funds held. Key information is summarised within a financial dashboard summary. The financial information includes the year-to-date variances and full year budget and forecast targets.
2. This report should be viewed with **Appendix 1: Financial Dashboard** and **Appendix 2: Statement of Financial Activities**, which includes the consolidated financial update across all BHE activities. Key variances are noted below.

## Income

3. Property Investments income at £19.1m is £0.6m lower than budget to date. The revenue reductions affecting tenants during the pandemic led to agreements for rent-free periods to existing tenants and in other instances tenants exercising the break clauses in their leases. The latest forecast includes this reduction in income and incorporates the expiration of rent-free periods, where relevant, in the second half of the year.
4. Visitor numbers to the Tower Bridge visitor attraction are 4% higher than budget. At the time the budget was set during the 2020 lockdowns, the timeline for the easing of restrictions was not known. With the strictest restrictions being lifted at the beginning of this financial year, visitor numbers have continued to track above target which has had a positive impact on both ticket and retail income. The latest forecast reflects a modest increase to the full year income target, reflecting the continual changes to travel restrictions affecting visitor numbers.
5. Whilst there is a variance in financial investments income to date, the majority of the budgeted income is expected to be received in the final quarter of the year. The income profile has been updated in the forecast accordingly.

## Expenditure

6. At the halfway point of the year, expenditure on repairs and maintenance of bridges is £4.8m lower than budget. Budgeted works relating to the Millennium Bridge structural retention cables, amounting to £1.2m, are no longer required in the short to medium term following a study on movements to the cable lengths. In the Bridges 50-year Maintenance Plan these works have been rescheduled to 2026. Delays during the tendering process for the High Voltage System Replacement at Tower Bridge, as well as a change in scope, has led to slippage in the timeline of the project, with the second part of the works now expected to conclude in 2022/23.
7. Included at **Appendix 1** is a graph showing the spend by Bridge. Whilst Tower Bridge spend is significantly higher than the other bridges combined, in the next quarter refurbishment of Blackfriars Bridge will commence. A review of the 50-year Maintenance Plan took place recently and the impact of the delays noted above as well as updates to projects across the bridges are reflected in the forecast. A further report providing more details on the 50-year Maintenance Plan can be found later in the agenda.
8. Within City Bridge Trust, grant commitments spend is currently £10.9m, significantly lower than the year-to-date budget of £60.9m. Other than continuation funding, Stepping Stones, the small grants programme and access audits (all of which remained continuously open), most reactive grant programmes were paused in the first half of the year due to the impact of Covid-19 and the decision to undertake an interim review of Bridging Divides to ensure that the strategy remained appropriate and able to meet the needs of London's Civil Society in the changed context.

9. Following conclusion of the review, the forecast for grants spend for the year has been revised down to £40.4m. With the reopening of further grant programmes in addition to further funder collaborations and transition funding, spend in the second half of the year is expected to significantly increase. It is likely that applications will take some time to filter through, and so the majority of this increase is not expected to be represented in commitment figures until the final quarter. The unspent budget balance will be retained within the designated fund to be spent on grant commitments in future years.
10. The full year forecast for grants commitments includes £3m utilising restricted fund balances available from the end of the last financial year, previously expected to be committed in 2020/21 and a further £0.4m of associated costs of the Risk to Resilience Programme. A key element of this is the final grants that have now been awarded within the London Community Response Fund.
11. Expenditure on financial investments for the year is forecasted to increase by £1.5m in comparison to budget. With the value of BHE investments increasing significantly since the budgets were set, the management fees which are linked to the value of the assets have risen accordingly. This has been reflected within the forecast and the free reserves reduced accordingly.
12. The request to increase the BHE central contingency fund by £0.8m was recently approved by the Court of Common Council. The latest approved budget and forecast has been updated to reflect this increase and includes: the BHE allocation for investment in the Climate Action Strategy, Tower Bridge operational buildings repairs and maintenance costs for Bridgemaster's House and Horace Jones House and costs to support the ongoing implementation of the charity's Strategic Review.
13. This leaves an unallocated contingency budget of £0.6m as at 30 September 2021, with the BHE Board holding the responsibility for approving requests, for both revenue and capital spend, where costs are additional to existing budgets. A further update on contingency balances is included on today's agenda.

## **Funds**

14. The total charity funds held balance is forecast to be £1,663.5m at the end of this year. In comparison to the original budget, this reflects an increase of £172.8m. The increase is largely driven by two factors; growth in the endowment funds balance achieved increases in the value of investments held at the end of the previous year and the forecast reduction in this year's grants commitment spend. This has led to an increase to both the endowment funds and free reserves. The forecasted variance in comparison to the latest approved budget is £66.8m and this is principally due to the in-year reduction in grants spend noted above.

## **Conclusion**

15. Whilst the permanent endowment, restricted and unrestricted funds are broadly in line with budget, the consequence of the forecast reduction in grants spend will result in an increase to the designated funds balance held at year-end. However, plans to spend this increased balance through grant-making activities in the short

to medium-term are being considered within the existing Bridging Divides funding strategy.

16. The charity's free reserves, a part of the unrestricted funds that is freely available to spend on the charity's objectives, is forecast to continue at a level significantly higher than the minimum target of £35m. Members should note that the free reserves balance will also be impacted by any gains or losses achieved on investments held. As noted earlier in this paper, should the managed investments continue to remain higher than at the start of the year, the free reserves balance could further increase.

**Appendices:**

Appendix 1 – Financial Reporting Dashboard

Appendix 2 – Statement of Financial Activities

**Sachin Shah**

BHE Transformation Project Accountant

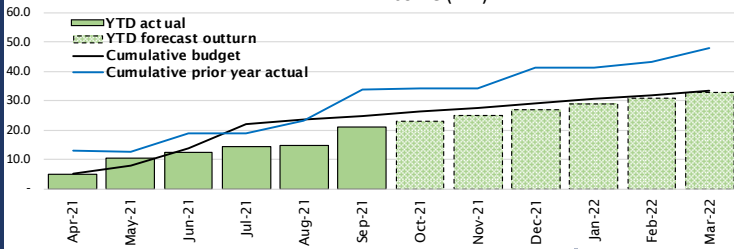
Email: [sachin.shah@cityoflondon.gov.uk](mailto:sachin.shah@cityoflondon.gov.uk)

**FINANCIAL DASHBOARD**

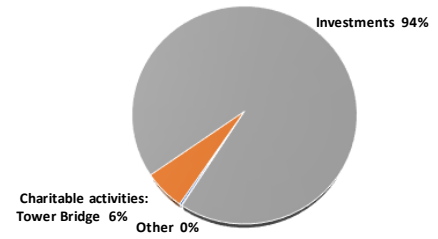
**Bridge House Estates**

September 2021

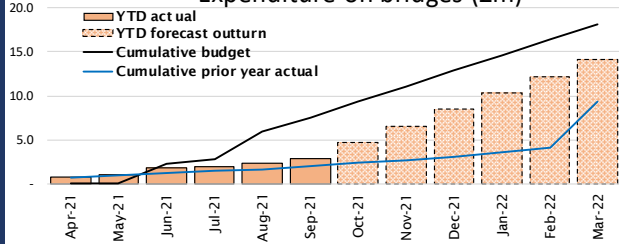
Income (£m)



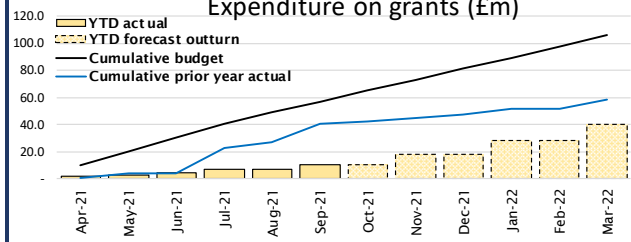
Income mix - YTD actual



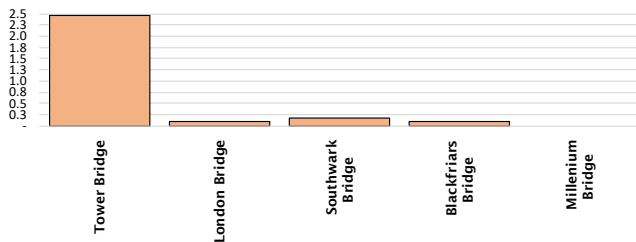
Expenditure on bridges (£m)



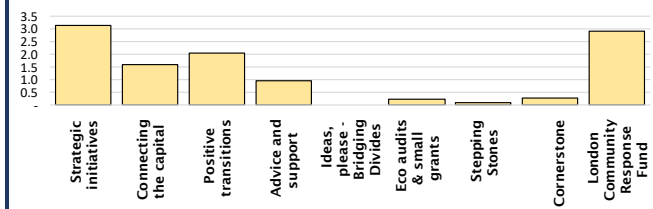
Expenditure on grants (£m)



YTD expenditure by bridge (£m)



YTD grant spend by programme area (£m)



**Balance sheet summary**

Assets/liabilities:	Actual (£m)
Fixed assets	1,700
Current assets	38
Total liabilities	(95)
Net assets	1,643
Charity funds:	
Permanent endowment funds	979
Restricted funds	1
Unrestricted income funds	663
Total charity funds	1,643

**Income & expenditure summary**

	YTD actual (£m)	YTD budget (£m)
Income	21.1	22.1
Expenditure	(21.2)	(79.4)
<b>Subtotal</b>	<b>(0.1)</b>	<b>(57.3)</b>
Gains/(losses)	-	-
<b>Net movement in funds</b>	<b>(0.1)</b>	<b>(57.3)</b>

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## Appendix 2 – Statement of Financial Activities

	2021/22 YTD			original budget £m	2021/22 full year			2020/21 full year draft actual £m	2021/22 forecast vs 2020/21 draft actual variance £m
	actual	latest approved budget	actual vs budget variance		latest approved budget	forecast	forecast vs budget variance		
	£m	£m	£m		£m	£m	£m		
Grant income	-	-	-	-	0.2	0.1	(0.1)	15.4	(15.3)
Charitable activities - Tower Bridge	1.2	0.8	0.4	2.7	2.7	2.8	0.1	0.5	2.3
Investment income:									
- Property Investments	19.1	19.7	(0.6)	26.9	26.9	26.1	(0.8)	27.0	(0.9)
- Financial Investments	0.7	1.5	(0.8)	2.8	2.8	2.8	-	2.5	0.3
- Interest receivable	-	-	-	0.1	0.1	0.1	-	0.5	(0.4)
- Social investment income	0.1	0.1	-	0.3	0.3	0.2	(0.1)	0.4	(0.2)
Total Investment income	19.9	21.3	(1.4)	30.1	30.1	29.2	(0.9)	30.4	(1.2)
Other income	-	-	-	0.4	0.2	0.2	-	1.1	(0.9)
<b>Total income</b>	<b>21.1</b>	<b>22.1</b>	<b>(1.0)</b>	<b>33.2</b>	<b>33.2</b>	<b>32.3</b>	<b>(0.9)</b>	<b>47.4</b>	<b>(15.1)</b>
Raising funds:									
- Property Investments	(3.0)	(3.3)	0.3	(9.3)	(9.3)	(8.9)	0.4	(9.1)	0.2
- Financial Investments	(0.3)	(2.9)	2.6	(5.1)	(5.2)	(6.7)	(1.5)	(5.9)	(0.8)
Total expenditure on raising funds	(3.3)	(6.2)	2.9	(14.5)	(14.5)	(15.6)	(1.1)	(15.0)	(0.6)
Charitable activities:									
- Repair & maintenance of bridges	(2.8)	(7.6)	4.8	(17.5)	(17.5)	(14.0)	3.5	(9.4)	(4.6)
- Tower Bridge tourism	(1.6)	(1.7)	0.1	(4.7)	(4.7)	(4.5)	0.2	(4.3)	(0.2)
Grants to voluntary organisations	(10.9)	(60.9)	50.0	(105.9)	(105.9)	(40.4)	65.5	(58.6)	18.2
Grant & social investment costs	(1.7)	(2.0)	0.3	(4.6)	(4.6)	(5.0)	(0.4)		(5.0)
Total expenditure on charitable activities	(17.0)	(72.2)	55.2	(132.7)	(132.7)	(63.9)	68.8	(72.3)	8.4
Other expenditure - pension costs	(0.9)	(1.0)	0.1	(1.1)	(1.8)	(1.8)	-	(2.3)	0.5
<b>Total expenditure</b>	<b>(21.2)</b>	<b>(79.4)</b>	<b>58.2</b>	<b>(148.3)</b>	<b>(149.0)</b>	<b>(81.3)</b>	<b>67.7</b>	<b>(89.6)</b>	<b>8.3</b>
<b>Net income/(expenditure)</b>	<b>(0.1)</b>	<b>(57.3)</b>	<b>57.2</b>	<b>(115.1)</b>	<b>(115.8)</b>	<b>(49.0)</b>	<b>66.8</b>	<b>(42.2)</b>	<b>(6.8)</b>
Gains/(losses) on investments/pension s	-	-	-	69.3	69.3	69.3	-	149.0	(79.7)
Net movement in funds	(0.1)	(57.3)	57.2	(45.8)	(46.5)	20.3	66.8	106.8	(86.5)
Funds brought forward at 01 April	1,643.2	1,536.4	106.8	1,536.4	1,643.2	1,643.2	-	1,536.4	106.8
Total funds carried forward	<b>1,643.1</b>	<b>1,479.1</b>	<b>164.0</b>	<b>1,490.6</b>	<b>1,596.7</b>	<b>1,663.5</b>	<b>66.8</b>	<b>1,643.2</b>	<b>20.3</b>
<b>Funds of the charity:</b>									
Endowment funds				946.0	1,022.7	1,022.7	-	979.5	43.2
Restricted funds				-	0.3	0.3	-	3.8	(3.5)
Designated funds:									
- Bridges repairs				33.5	36.9	36.9	-	48.1	(11.2)
- Bridges replacement				174.5	174.5	174.5	-	168.7	5.8
- Grant-making				126.0	132.8	198.3	65.5	206.9	(8.6)
- Social investment fund				21.5	21.9	21.9	-	21.5	0.4
- Property dilapidations/service charges				0.4	0.4	0.4	-	0.4	0.0
Total designated funds				355.9	366.5	432.0	65.5	445.6	(13.6)
General funds				208.4	244.3	245.7	1.4	242.0	3.7
Pension reserve				(19.7)	(37.1)	(37.1)	-	(27.7)	(9.4)
Total general funds				188.7	207.2	208.6	1.4	214.3	(5.7)
<b>Total charity funds</b>				<b>1,490.6</b>	<b>1,596.7</b>	<b>1,663.6</b>	<b>66.9</b>	<b>1,643.2</b>	<b>20.4</b>

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<b>Committee(s)</b>	<b>Dated:</b>
Property Investment Board (PIB) – For Information Bridge House Estates Board – For Information	26th November 2021 24th November 2021
<b>Subject: Progress Update</b> – Minimum Energy Efficiency Standards & Net Zero Carbon Action Plan	<b>Public</b>
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,5,7,10,11,12
<b>For BHE, which outcomes in the BHE <i>Bridging London 2020 – 2045</i> Strategy does this proposal aim to support?</b>	2
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>NA</b>
<b>What is the source of Funding?</b>	<b>As approved under CAS for Y1 approved by Policy and Resources on 8 April 2021</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>Yes</b>
<b>Report of:</b> Paul Wilkinson, City Surveyor Nick Gill, Investment Property Director	<b>For Information</b>

### Summary

This paper summarises the progress of a study being carried out by consultants Currie & Brown and WSP to implement tasks 1a, 1b, 2 and 4 (as listed in paragraph 3) of the CAS NZ4 Investment portfolio plan and update on related Climate Action Plan tasks. The study is progressing according to schedule. In addition, the recruitment of a Sustainable Property Specialist will be actioned in due course to manage this work and its outcomes as well as the overall Climate Action Strategy (CAS) NZ4 plan.

Furthermore, a Sustainability Consultant has been employed who will act as our critical friend and ensure quality assurance – James Holliday from Arcadis.

### Recommendations

The Property Investment Board and Bridge House Estates Board are, as relevant to their terms of reference, recommended to:

- Note the progress update; and,
- Note the continuation of the CAS NZ4 plan for resourcing the Sustainable Property Specialist in order to ensure the continued success of this programme

## Background and context

1. In January 2020 the City of London Corporation (City Corporation) set out on a fast-paced, cross-corporation journey to develop an ambitious CAS. At that point, the City Corporation needed to assess the carbon footprint across both its own varied holdings, and across the Square Mile - as well as develop a plan to achieve Net Zero by 2027 for scope 1 and 2 emissions and 2040 for scope 3 (including the Investment portfolio).
2. The CAS marked the start of a new and transformative programme of action. The CAS was adopted by the Court of Common Council for the City Corporation, both as Trustee of Bridge House Estates (BHE) and in delivering its wider functions and activities, on 8 October 2020. Fifteen costed project delivery areas have since been consolidated into ten project plans.
3. This paper provides an update to tasks 1a, 1b, 2 and 4 of the Investment Property Group Project Plan of the Climate Action Strategy (affecting all Funds, including BHE). The tasks include:
  - **1a** – Undertake a Minimum Energy Efficiency Standards (MEES) risk and boundary assessment at asset level to deliver portfolio cost and risk profile
  - **1b** – Identify costs required to upgrade major refurbishment works to Energy Performance Certificate (EPC) Grade B between 2022 and 2030
  - **2** - Undertake a study to establish process, cost and benefit of an improved metering strategy
  - **4** – Design an operating plan to identify a pathway to 60% emissions reductions by 2040, identifying major milestones and investment strategy.
4. The general approach to this project includes the following:
  - **Data gathering** – including building floorplans, equipment schedules, O&Ms, landlord energy data, tenant energy data
  - **Site Surveys** – To establish on the ground information regarding the existing mechanical, electrical and automation installation
  - **Analysis and Recommendation** – Information gathered will be processed and developed into a list of interventions for both EPC Grade B with budgetary cost estimates, and a strategic plan for net zero

## Current position

5. The specifications for the asset level survey to carry out a MEES boundary analysis and a journey to Carbon Net Zero for directly managed and Full Repairing and Insuring (FRI) buildings has been agreed.
6. The procurement of this project has been concluded and two consultants (WSP and Currie & Brown) have been appointed and instructed to commence the first phase of buildings for a combined fee of £368,890 compared with a budget of £400,000

approved by Members in January 2021. Kick off meetings were held in September 2021.

7. Due to the size and scope of the task in hand, the surveys will be carried out in 2 phases. Phase one includes directly managed properties that have lease events in the near horizon and are not being refurbished under the Gateway process, that will provide opportunity to implement actions identified by the surveys. This includes 32 net zero surveys and 152 EPCs in WSP scope and 19 net zero surveys and 74 EPCs for Currie & Brown. 22 Buildings have been surveyed to date.
8. The second phase of buildings – primarily buildings being refurbished under the Gateway process and those subject to FRI leases - are subject to MEES analysis and quotation, due mid November. Once received, a budget will be requested and a variation to the existing contract will be enacted, to include these buildings within the same scope of work within the current financial year.
9. Collation of building data and surveys of buildings has commenced and the project is due to complete in April 2022. Progress is good and around 50% of buildings within the scope of the first phase have had a site survey carried out.
10. Pilot sites were selected as a way of understanding any logistical and communication problems that may be encountered with conducting surveys, and the learning will apply across all the Funds' portfolios. These have now been completed successfully after some initial problems with access, and feedback distributed. Reporting format and draft outputs of recommendations and costs for reaching Grade B and net zero will be reviewed to ensure the output is as requested.
11. Recommendations of one pilot site will be accelerated in order to allow the outputs to be refined, prior to analysis being carried out on other properties.
12. Part of the scope of works includes developing a metering strategy, which will follow the data gathering and site visit exercises
13. As per the CAS – a Sustainable Property Specialist is currently being resourced. The job description has been agreed and we have approached consultants to tender for this service as part of the Centre of Excellence structure. Responses are expected and decisions made in early December.
14. The project is continuing according to schedule as per the IPG-1a, 1b, 2 and 4 (see Appendix A).
15. The CAS includes Capital Projects (Design) standard (NZ3) and Resilient Building (RS3) project plans. Design standards will include whole life cycle carbon assessments, net zero technology and design standards and post-occupancy evaluation process for use within the investment portfolio. Resilient Buildings will provide:

- Identification of resilience risks and constraints to implementation for the Corporation's physical assets.
- Development of Buildings Resilience Action Plan.
- Dovetailing of identified interventions into existing estates/asset strategy.

16. Work has begun on the whole life cycle carbon assessments. Etude have been commissioned to produce an initial scoping study to define the scope of the assessments based on the type, scale and stage.

17. The initial baseline assessment will be reviewed (as a priority) by a third party to ensure it is an accurate representation of the portfolio. As part of this, benchmarking will be undertaken against any available metered data.

18. A metered data sharing memorandum of understanding (MOU) with smart metering pilot will be introduced from April 2022, demonstrating the benefit of improving data confidence.

### **Corporate and strategic implications**

19. Strategic implications: This project, in addition to supporting the CAS directly, also supports delivery against the following outcomes in the City Corporation's Corporate Plan, 2018-23:

- Outcome 1: People are safe and feel safe
- Outcome 5: Businesses are trusted and socially and environmentally responsible
- Outcome 7: We are a global hub for innovation in financial and professional services, commerce and culture
- Outcome 10: We inspire enterprise, excellence, creativity and collaboration
- Outcome 11: We have clean air, land and water and a thriving and sustainable natural environment
- Outcome 12: Our spaces are secure, resilient and well-maintained.

For BHE, this project supports the aims and objectives of its overarching strategy, *Bridging London 2020-2045*.

20. The wider CAS strategy builds upon existing strategies and policies, including: The Responsible Business Strategy 2018-23, the Responsible Investment Policy, the City Procurement Strategy 2020-24, the Local Plan 2015, the draft City Plan 2036, the Air Quality Strategy 2015-20, the Climate Mitigation Strategy, the Carbon Descent Plan, It is aligned to ongoing reviews of our financial and property investment portfolio for all three Funds.

21. Financial Implications: Following the results of this work, costs for improvement of assets to EPC Grade B will be incorporated into asset plans for all three Funds, including BHE.

22. Resource Implications – There are no new resource implications beyond what was approved by Court on 8<sup>th</sup> October 2020. The overall budget envelope for Y1 has been confirmed by Policy and Resources Committee on 8<sup>th</sup> April 2021. The original Y1 budget and action plan was approved by Policy & Resources Committee prior to new governance arrangements for BHE being in place. Subsequently, the BHE Board in July 2021 approved the specific costs for actions relating to BHE and has included this in its 2021/22 budget. This report confirms the intention to proceed with recruitment of a Sustainable Property Specialist to support the CAS Programme item 5c.

23. Risk Implications – To manage risk effectively in the programme, all projects have a risk register and the overall risks are controlled through a corporation level risk CR30 – Climate Action Strategy.

## **Conclusion**

24. Year 1 of the CAS NZ4 Plan is proceeding as per Schedule (Appendix A). The recruitment of a Sustainable Property Specialist is key to the continued successful management of this programme.

## **Report author**

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