



## Bridge House Estates Board

**Date:** WEDNESDAY, 27 APRIL 2022  
**Time:** 11.00 am  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL /  
MICROSOFT TEAMS

**Members:** Deputy Henry Colthurst  
Deputy Simon Duckworth  
Alderman Professor Emma Edhem  
Alderman & Sheriff Alison Gowman  
Paul Martinelli  
Judith Pleasance  
Deputy Henry Pollard  
Deputy Nighat Qureishi  
Deputy Dr Giles Shilson  
Deputy James Thomson

**Enquiries:** Joseph Anstee  
[joseph.anstee@cityoflondon.gov.uk](mailto:joseph.anstee@cityoflondon.gov.uk)

### Accessing the public meeting

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

<https://youtu.be/KZYXR-z5UKg>

This meeting will be a hybrid meeting. 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.

**Lunch will be served in the Guildhall Club at 1.00pm.**

**John Barradell**  
Town Clerk

# AGENDA

## Part 1 - Public Agenda

### Governance and Strategy

1. **APOLOGIES**

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

3. **ORDER OF THE COURT OF COMMON COUNCIL**

To receive the Order of the Court of Common Council on 21 April 2022.

**For Information**  
(Pages 7 - 10)

4. **ELECTION OF CHAIR**

To elect a Chair in accordance with Standing Order 29.

**For Decision**

5. **ELECTION OF DEPUTY CHAIR**

To elect a Deputy Chair in accordance with Standing Order 30.

**For Decision**

6. **VOTE OF THANKS TO FORMER BOARD MEMBERS**

Chair to be heard.

**For Information**

7. **APPOINTMENT OF COMMITTEES**

- a) **Grants Committee of the Bridge House Estates Board**  
Report of Managing Director of Bridge House Estates (BHE)

**For Decision**  
(Pages 11 - 16)

- b) **Bridge Management Committee of the Bridge House Estates Board**  
Report of the Managing Director of BHE

**For Decision**  
(Pages 17 - 22)

**8. BHE INVESTMENTS WORKING GROUP**  
Report of Managing Director of BHE

**For Decision**  
(Pages 23 - 24)

**9. BHE ANNUAL REFERENCES TO OTHER COURT COMMITTEES**  
Report of Managing Director of BHE

**For Decision**  
(Pages 25 - 30)

**10. MINUTES\***  
To agree the public minutes and non-public summary of the meeting held on 16 February 2022.

**For Decision**  
(Pages 31 - 40)

**11. OUTSTANDING ACTIONS\***  
Report of the Town Clerk

**For Information**  
(Pages 41 - 44)

**12. MANAGING DIRECTOR'S UPDATE REPORT**  
Report of the Managing Director of Bridge House Estates (BHE)

*To be considered in conjunction with the non-public appendix at Item 24.*

**For Decision**  
(Pages 45 - 60)

**Primary Object - Bridges**

**13. TOWER BRIDGE - REPLACEMENT OF DEFECTIVE BRIDGE DRIVING MACHINERY HYDRAULIC COMPONENTS**  
Report of the Managing Director of BHE

**For Decision**  
(Pages 61 - 76)

**14. BHE BRIDGES LIGHTING POLICY**  
Report of the Managing Director of BHE

**For Decision**  
(Pages 77 - 90)

## **Ancillary Object - Charitable Funding**

**15. MINUTES OF THE GRANTS COMMITTEE OF THE BRIDGE HOUSE ESTATES BOARD\* - TO FOLLOW**

To note the draft public minutes and non-public summary of the meeting held on 9 March 2022.

**For Information**

### **Finance**

**16. BHE CONTINGENCY FUNDS UPDATE**

Report of the BHE & Charities Finance Director, representing the Chamberlain

**For Information**  
(Pages 91 - 96)

**17. BHE CONTINGENCY FUND REQUEST - STAFFING**

Report of the Managing Director of BHE

**For Decision**  
(Pages 97 - 100)

**18. CAPITAL FUNDING UPDATE**

Report of the Chamberlain

**For Decision**  
(Pages 101 - 116)

### **Investments**

**19. PROGRESS UPDATE - MINIMUM ENERGY EFFICIENCY STANDARDS & NET ZERO CARBON ACTION PLAN FOR INVESTMENT PROPERTY PORTFOLIO\***

Report of the City Surveyor

**For Information**  
(Pages 117 - 124)

### **Other**

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

Report of the Town Clerk

**For Information**  
(Pages 125 - 128)

**21. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD AND ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

**22. 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**

**Governance and Strategy**

**23. NON-PUBLIC MINUTES\***

To agree the non-public minutes of the meeting held on 16 February 2022.

**For Decision**  
(Pages 129 - 136)

**24. NON-PUBLIC APPENDICES - MANAGING DIRECTOR'S UPDATE REPORT**

*To be considered in conjunction with the report at Item 12.*

**For Information**  
(Pages 137 - 138)

**Ancillary Object - Charitable Funding**

**25. NON-PUBLIC MINUTES OF THE GRANTS COMMITTEE OF THE BRIDGE HOUSE ESTATES BOARD - TO FOLLOW\***

To note the draft non-public minutes of the meeting held on 9 March 2022.

**For Information**

**Investments**

**26. BHE: ADELAIDE HOUSE, 1-5 ADELAIDE PLACE - NEW 153 YEAR LEASE**

Report of the City Surveyor

**For Decision**  
(Pages 139 - 154)

**27. BHE - DELEGATED AUTHORITY REQUESTS - CITY SURVEYOR'S DEPARTMENT**

Report of the City Surveyor

**For Decision**  
(Pages 155 - 156)

## Other

28. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD AND ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

### Part 3 - Confidential Agenda

#### Governance and Strategy

29. **CONFIDENTIAL MINUTES\***

To agree the confidential minutes of the meeting held on 16 February 2022.

**For Decision**

30. **BHE TOM PROPOSAL - PHASE 2**

Report of the BHE & Charities Finance Director, representing the Chamberlain.

**For Decision**

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

KEAVENY, Mayor	<b>RESOLVED:</b> That the Court of Common Council holden in the Guildhall of the City of London on Thursday 21 <sup>st</sup> April 2022, doth hereby appoint the following Committee until the first meeting of the Court in April, 2023.
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## **BRIDGE HOUSE ESTATES BOARD**

### **1. Constitution\***

A Non-Ward Committee discharging charity trustee functions independently for the City Corporation as Trustee of Bridge House Estates (Charity Registration No. 1035628), acting solely in the best interests of the charity, consisting of,

- 8 Commoners appointed by the Court of Common Council for a four-year term
- 2 Aldermen nominated by the Court of Aldermen and appointed by the Court of Aldermen for a four-year term
- Up to 2 external co-opted members (with full voting rights, recruited by the Board in accordance with the procedure approved by the Court)

and each is a “Member”.

*\*Appointments from each category of Member will be on a staggered basis to ensure continuity in the discharge of the Board’s business over the medium term. Any person appointed to the Board may only serve for a maximum of two consecutive terms.*

### **2. Quorum**

The quorum consists of any five Members of the Board.

### **3. Membership 2022/23**

#### ALDERMEN

- 2 Alison Gowman, Sheriff
- 2 Emma Edhem

#### COMMONERS

- 2 (2) Henry Nicholas Almroth Colthurst, Deputy
- 2 (2) Dr Giles Robert Evelyn Shilson, Deputy
- 2 (2) Judith Lindsay Pleasance, *for two years*
- 2 (2) James Henry George Pollard, Deputy, *for two years*
- 2 (2) Paul Martinelli, *for two years*
- 1 (1) Simon D’Olier Duckworth, Deputy, OBE D.L., *for three years*
- 1 (1) James Michael Douglas Thomson, Deputy, *for three years*
- 1 (1) Nighat Qureishi, Deputy, *for one year*

together with the external co-opted members referred to in paragraph 1 above.

#### **4. Terms of Reference of the Delegated Authority**

- (a) For the avoidance of doubt, consistent with the responsibilities of the City of London Corporation acting by the Common Council, as charity Trustee of Bridge House Estates (Charity Registration No. 1035628) (“the Charity”), the Court of Common Council must at all times retain proper oversight of the functions delegated to this Board, with certain matters reserved to the Court of Common Council as stated in these Terms of Reference or by a separate decision of the Court.
- (b) The following matters are reserved to the Court of Common Council:
  - (i) Appointment and removal of members of the Board and ensuring that the Board retains appropriate skills, knowledge and experience;
  - (ii) Amendment of the governing documents of the Charity;
  - (iii) Approval of the budget for the Charity;
  - (iv) Approval of the amount of income considered surplus to the requirements of the Charity’s primary object to be allocated for application to the ancillary object each year (“surplus income”);
  - (v) Annual approval of the Charity’s Risk Register;
  - (vi) Appointment of auditors;
  - (vii) Approval of the Charity’s strategy, including its overarching strategy, investment strategy, bridge replacement strategy, charitable funding strategy and communications strategy;
  - (viii) Approval of the Charity’s conflict of interest policy, reserves policy, investment policy, and policy for the application of surplus income;
  - (ix) Approval of the process to be adopted for the appointment of co-opted independent members to the Board and its sub-committees, ensuring that those appointed have regard to diversity and inclusion on the Board;

##### **Generally**

- (c) Except for those matters reserved to the Court of Common Council, the Board will be responsible for all aspects of Bridge House Estates’ day-to-day management and administration in the discharge of the City of London Corporation’s functions as Trustee of the Charity, acting solely in the best interests of the Charity, subject always to the delegated authority being exercised in accordance with any strategy, policy and/or procedure set by, or other direction of, the Court.

##### **Specifically**

- (d) Except for those matters reserved to the Court of Common Council, the Board will be responsible for:
  - (i) Ensuring governance & regulatory compliance - including compliance with the Charity’s governing documents, all relevant legal and regulatory requirements, and the governance framework adopted by the City Corporation in its administration of the Charity as Trustee – and for keeping such matters under review making relevant recommendations to the Court of Common Council for the Charity’s good administration;
  - (ii) Considering, consulting upon, settling and keeping under review, matters of policy and/or strategic importance to Bridge House Estates, and making



relevant recommendations to the Court of Common Council for the Charity's good administration;

- (iii) monitoring the integrity of and preparing and approving the Charity's financial statements, including its Annual Report, to ensure they conform with applicable accounting standards, for presentation to the Court of Common Council for information;
- (iv) overseeing the Charity's external and internal audit functions, and making appropriate recommendations on the appointment of an auditor of the Charity's Annual Report and financial statements;
- (v) appointing any investment or fund managers, nominees or agents to act for the Trustee and keeping their activities under review to ensure their compliance with any authority, mandate, policy or requirements which have been set for that purpose;
- (vi) all functions relating to the administration of any of the Charity's assets and property held in any asset class, whether functional assets (including the five bridges), operational assets or investment assets;
- (vii) determining resource allocation for the Charity in accordance with its strategic policies and any budget set by the Court of Common Council, including making recommendations to the Court on the allocation of surplus income;
- (viii) all decisions relating to the application of surplus income;
- (ix) scrutiny, management and delivery of major projects and/or programmes of work for the Charity;
- (x) identifying, managing, mitigating against, monitoring, reviewing and reporting to the Court on any risks relating to the administration of the Charity;
- (xi) ensuring effective operational arrangements are in place for the proper administration of the Charity, and to support expedient and efficient delivery of the Charity's objects and activities, including the overall organisation and structure of delivery of the Charity's business within the City Corporation's business operating model, and the appointment of contractors and suppliers.

### **Delegation**

- (e) The Board may appoint such sub-committees as are considered necessary for the efficient and effective discharge of any of the functions conferred on the Board, and may appoint such members of the Board (including for the avoidance of doubt any of the co-opted members of the Board), and/or such elected Members serving on any other Committees of the Court of Common Council who are considered to have the necessary skills, knowledge and experience to better support the proper discharge of the relevant sub-committee's functions, and/or any co-opted member appointed by the Board to a sub-committee in accordance with the process adopted by the Court per paragraph 5(b)(x) above, subject always to elected Members forming the majority of those in attendance at any sub-committee meeting to form a quorum.

### **Reporting**

- (f) The Board must report to the Court of Common Council at least annually on the exercise of this delegated authority in such form as the Court requires.

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	27 April 2022
<b>Subject:</b> Appointment of Committees: Grants Committee of the Bridge House Estates Board	<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>Report of:</b> David Farnsworth, Managing Director of Bridge House Estates	<b>For decision</b>
<b>Report Author:</b> Milly Ehren, BHE Head of Strategy & Governance	

## Summary

This report sets out matters for decision which are recommended to support the Bridge House Estates Board (“the BHE Board”/ “the Board”) in the ongoing effective administration and governance of Bridge House Estates (“BHE”), consistent with the City Corporation’s legal obligations as Trustee of the charity. The appointment, composition and terms of reference of the BHE Board’s Committees are formally considered annually – noting that these matters have been kept under continuous review throughout the Board’s first year. At its meeting in February 2022, the BHE Board endorsed the proposal to reconstitute the Grants Committee of the Bridge House Estates Board (“the Grants Committee”) for the ensuing year. This report therefore formally asks the BHE Board to consider the appointment of the Grants Committee, and to approve its composition and Terms of Reference for 2022/23. The details of the composition and Terms of Reference of the Grants Committee are set out in full at Appendix 1. The report also sets out the process for appointment of Members to the Grants Committee, as well as to the positions of the Chair and Deputy Chair.

## Recommendations

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

1. Appoint the Grants Committee for the ensuing year and approves the Terms of Reference for the Grants Committee detailed at Appendix 1;
2. Appoint one Member of the Bridge House Estates Board to the Grants Committee for the balance of the 4-year term of the current vacant position (for three years, expiring April 2025), and note that in April 2022 the Court of Common Council approved the extension of the two current co-opted Members of the Grants Committee by 12-and 18 months respectively; and,
3. Delegate to the Grants Committee the appointment of the Chair and Deputy positions for 2022/23.

## Main Report

### Background

1. At its meeting on 21 April 2022, the Court of Common Council agreed to establish its Grand Committees, including the BHE Board, for the ensuing year. The BHE Board (in accordance with its Terms of Reference) has the express delegated authority from the Court to appoint such Committees of the Board as are considered necessary for the most effective discharge of BHE functions within the remit of the Board. This allows the Board the freedom to determine how best to discharge its charitable functions, to assess the charity's operation and activities as a whole, and to determine the best Member structure for the expedient and effective administration of the charity's business by the Board in compliance with the trustee's legal obligations.
2. In February 2022, the BHE Board considered a report which set out matters for decision which were recommended to support the Board in the ongoing effective administration and governance of BHE, consistent with the City Corporation's legal obligations as Trustee of the charity. The options in the report were intended to help set the future direction of travel for the charity but were recommended to be kept under regular review.
3. Within the report, amongst several other recommendations, the BHE Board considered options in relation to its Committees of the Board. The BHE Board endorsed the proposal to re-establish its Grants Committee, agreed to defer a decision on whether or not to establish a Bridge Management Committee (see paper 7b on the agenda today), and agreed to retain all other functions (e.g., its finance and investment functions) at Board level.

### **Grants Committee**

4. As the BHE Board have previously endorsed re-appointing the Grants Committee, this report presents to the BHE Board details of the appointment, terms of reference and composition of the Grants Committee for formal approval for 2022/23.
5. The Grants Committee was established by the BHE Board in July 2021, with its first meeting taking place in September 2021. The Grants Committee is responsible for discharging operational functions in advancing the ancillary object of BHE. The BHE Board continues to retain responsibility and accountability for all decisions taken by the Grants Committee, with ultimate responsibility and oversight for the City Corporation as Trustee of BHE remaining vested in the Court.
6. The proposed Terms of Reference of the Grants Committee for 2022/23 can be found at **Appendix 1**. The Terms of Reference incorporate a minor amendment from the 2021/22 version in relation to financial thresholds which was endorsed by the BHE Board in February 2022.

### Vacancies and Appointment of the Chair and Deputy Chair

7. As per the Terms of Reference, four Commoners/ or Aldermen are appointed for a 4-year term to the Grants Committee by the BHE Board, from the Board itself in the first instance or otherwise from the wider Court of Common Council if vacancies remain. Currently there is one vacant position on the Grants Committee owing to the former Deputy Chair, Dhruv Patel, stepping down from the Court of Common

Council in December 2021. The BHE Board are therefore asked to appoint today a Member to the Grants Committee for the remaining 3-year term of that position. Expressions of interest for the vacancy on the Grants Committee were sought prior to the meeting, and the Board are asked to appoint to the vacant position accordingly.

8. Two external co-opted members (with full voting rights, recruited by the BHE Board in accordance with its Protocol for Co-Option of External Members) are to be appointed to the Grants Committee. In February 2022, the BHE Board endorsed a proposal to extend the terms of the current co-opted members (on a staggered basis of one 12-month term and one 18-month term) to ensure continuity during this transition period, and to provide the continued mix of skills and experience required. This extension was agreed by the Court of Common Council in April 2022, in accordance with the BHE Protocol for Co-option of External Members.
9. It is recommended that the appointment of the Chair and Deputy Chair of the Grants Committee is delegated to the Grants Committee itself. This would enable the two co-opted members to vote. If agreed, the vote will be done at the next meeting of the Grants Committee in June 2022. To note, the Deputy Chair position has been filled on an interim basis since December 2021 by Sheriff and Alderman Gowman since the former Deputy Chair, Dhruv Patel, stood down from the Court of Common Council.

## **Conclusion**

10. This report recommends the BHE Board consider the appointment of its Grants Committee for the ensuing year, and to approve its composition and Terms of Reference as set out at Appendix 1. The BHE Board are also asked to appoint one Member of the BHE Board to the Grants Committee to fill the vacant position, and are recommended to delegate the appointment of the Chair and Deputy roles to the Grants Committee itself.

## **Appendices**

- Appendix 1 – Terms of Reference for the Grants Committee of the Bridge Board

## **Milly Ehren**

BHE Head of Strategy and Governance

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## **Appendix 1 – Terms of Reference for the Grants Committee of the Bridge House Estates Board**

### **GRANTS COMMITTEE OF THE BRIDGE HOUSE ESTATES BOARD 2022/23**

#### **1. Constitution**

A Committee of the Bridge House Estates Board, and a sub-committee of the Court of Common Council, responsible for discharging functions of the Board in furthering the ancillary object of Bridge House Estates (charity reg. no. 1035628), consisting of:

- 4 Commoners or Aldermen appointed by the Bridge House Estates Board, either directly from the Bridge House Estates Board or from the wider Court of Common Council.
- 2 external co-opted members (with full voting rights, recruited by the Board in accordance with the procedure approved by the Court) to be appointed on a staggered basis of a 12-month term and an 18-month term during 2022/23.

and each is a “Member”.

*Each Member to be elected to the Grants Committee of the Bridge House Estates Board on a 4-year term.*

#### **2. Quorum**

The quorum consists of three members, although Members of the Court (Commoners or Alderman) must form the majority of those in attendance to form a quorum.

#### **3. Membership 2022/23**

Sheriff and Alderman Alison Gowman	2 (2)
Judith Lindsay Pleasance	2 (2)
Paul Martinelli	2 (2)

plus one Member to be appointed.

together with the two external co-opted members referred to in paragraph 1 appointed by the Bridge House Estates Board, in accordance with the procedure for their appointment approved by the Court which provides that co-opted members will be selected on the basis of their skills, knowledge and experience in order to ensure that the Board and its Committees have an appropriate balance of skills, knowledge and experience necessary to administer the charity on behalf of the Court.

#### **4. Terms of Reference**

In accordance with the Charities (The Bridge House Estates) Order 1995 (as amended) for the following purposes: -

- In or towards the provision of transport and access to it for the 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,

to be responsible for:

- (a) Implementing the policy settled by the Trustee for the application of funds allocated to further the ancillary object of Bridge House Estates (“the policy”), including to determine the application of funds in accordance with that policy other than decisions to apply £500,001 or more for a grant, project or activity, which decisions are reserved to the Bridge House Estates Board (“the Board”) upon this Committee’s recommendation;
- (b) Determining terms, conditions and other requirements to be imposed in applying the charity’s funds in accordance with the policy; and
- (c) Reviewing and analysing the amounts, nature and spread of funding approved or refused by way of grants or otherwise applied under the policy;
- (d) Reviewing and making recommendations to the Board on the policy, and in so doing to undertake consultation with appropriate persons as required by Order of the Charity Commissioners, dated 10 July 1997;
- (e) Making recommendations on the management and the operation of administrative arrangements as they relate to furthering the ancillary object.

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Committee	Date
Bridge House Estates Board	27 April 2022
<b>Subject:</b> Appointment of Committees: Bridge Management Committee of the Bridge House Estates Board	<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>Report of:</b> David Farnsworth, Managing Director of Bridge House Estates	<b>For decision</b>
<b>Report Author:</b> Milly Ehren, BHE Head of Strategy & Governance	

## Summary

This report sets out matters for decision which are recommended to support the Bridge House Estates Board (“the BHE Board”/ “the Board”) in the ongoing effective administration and governance of Bridge House Estates (“BHE”), consistent with the City Corporation’s legal obligations as Trustee of the charity. Specifically, the report presents two options in relation to the discharge of functions pertaining to the primary object of the charity, either by retaining all functions at the Board level or by establishing and making further delegations to a Bridge Management Committee of the Board. The BHE Board previously considered these options at its meeting in February 2022 but agreed to defer the decision until its April meeting. This report therefore sets out the two options for the Board to further discuss and agree upon an approach for the ensuing year.

## Recommendations

It is recommended that the Bridge House Estates Board, in the 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. Consider the two options set out at paragraphs 5 – 9 in relation to the discharge of functions pertaining to the primary object of the charity, either by retaining all functions at the Board level or by establishing and making further delegations to a Bridge Management Committee of the Board; and,
- ii. Agree one of the options to adopt for the 2022/23 civic year, keeping such matters under review.

## Main Report

### Background

1. In February 2022, the BHE Board considered a report which set out matters for decision which were recommended to support the Board in the ongoing effective administration and governance of BHE, consistent with the City Corporation’s legal obligations as Trustee of the charity. The options in the report were intended to help set the future direction of travel for the charity but were recommended to be kept under regular review, consistent with the Trustee’s obligations to do so.

2. Within the report, amongst several other recommendations, the BHE Board considered options in relation to the creation of a Bridge Management Committee of the BHE Board for the ensuing year. The Board discussed the potential benefits and challenges of establishing such a Committee and, arising from the discussion, the Board agreed to defer a decision on this matter to its next meeting.
3. This report therefore re-presents to the Board options for consideration in relation to the possible creation of a Bridge Management Committee of the Board. The Board are asked to consider the options set out below and agree an approach for the coming year, keeping such matters under review.

### **BHE Bridge Management Committee - Options**

4. Throughout its first year of constitution (from April 2021), the BHE Board has kept its governance arrangements under continuous review. During this period, the Board were supportive of exploring further the option to establish a Bridge Management Committee of the Board from April 2022 with the appropriate mix of elected City Corporation Members and external co-opted appointees, together having the relevant skills, knowledge and experience required to discharge the business delegated to that Committee.
5. To support the BHE Board in further considering this matter, two options are presented below for the Board to discuss.
6. Option 1 – Bridge Management Committee: establish a Bridge Management Committee of the Board to be responsible, in furthering the charity's primary object, for the administration and management of the charity's functional and operational Bridge assets, being the five Thames Bridges and their approach structures (inclusive of the visitor, events, learning and educational elements at Tower Bridge); including the scrutiny, management and delivery of major projects and/or programmes of work relating to the five Thames Bridges (operating within the scope of the relevant strategies and policies set by the Court and as relevant the Board, and making any recommendations to the Board relating thereto).
  - a. Advantages: This option would allow for focussed oversight of activities in furthering the charity's primary object through a dedicated Committee, after previous diffuse governance arrangements (prior to the constitution of the BHE Board). It could also enable greater level of scrutiny on activities relating to the primary object of the charity and could support expedient and high-quality decision-making as a Bridge Management Committee would provide for more dedicated time to discuss matters relating to the Bridges.
  - b. This option would also allow the Board to co-opt external members with the required specialist skillset on the Committee and use their time and expertise more efficiently in the Bridge Management Committee, rather than at the Board level. '*Bridge engineering*' skills and experience in '*domestic and international tourism, education, retail and events*' (i.e. experience

relevant to the management of Tower Bridge) ranked low<sup>1</sup> on the 'Skills Audit' of the Board membership carried out in January 2022 and has been identified as an area for improvement on the Board. However, it was worth noting that the skill set of the Board will have since changed owing to three new appointments to the Board made in April 2022. As such, a further Skills Audit will be undertaken in due course.

- c. Disadvantages: This option would require further time of Members and officers in supporting an additional Committee, although this could be potentially mitigated by a reduction in BHE Board meetings. Arguably with this option, the Board may feel limited in taking key decisions on the primary object if these functions are delegated to a Committee – however, this could be mitigated by setting appropriate terms of reference and levels of delegation, and noting that strategic and policy decisions (within which the charity's Bridge-related operational activities are delivered) remain with the Board or the Court, as relevant. There is also the risk of duplication in time and effort where business may need to be referred by any Committee up to the Board for final decision (e.g. where the issues involve consideration of matters where the functions are retained at Board level, such as may arise in respect of public safety on the Bridges, etc).
7. Option 2 – Retain bridge functions at Board level: As an alternative, the Board may consider retaining all its functions for the advancement of the charity's primary object (the maintenance and support of the five Thames Bridges, including approach structures), rather than delegating these to a Committee of the Board, to ensure the primacy of these functions and associated business and activities remains at the Board level and integrated into wider decision-making in administering and managing the charity.
- a. Advantages: This option would enable the Board to retain cohesive and consolidated oversight of the management of activities in furthering the charity's primary object, ensuring appropriate scrutiny by the full Board. It also supports the whole Board in being upskilled in their knowledge and understanding of the primary object of the charity. It is worth noting that prior to the Board's establishment these functions were delegated to a number of different Grand Committees of the Court and the Board's constitution has brought them together, consistent with overall objectives of the BHE Governance Review. Currently, the reporting relating to the Bridges presented to the Board is not excessively time-consuming (*see Table 1*), which may indicate that a dedicated Committee would not be required to meet on a regular basis. However, the Board may feel that the current level of reporting and scrutiny on the primary object at Board level is not sufficient and so may not see this as a benefit of retaining the current arrangements. If this option is supported by the Board, it would not preclude the establishment of any Member or officer Working Group or Task and Finish Group that may be established to provide recommendations to the Board, for example on major bridge projects.

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<sup>1</sup> In January 2022, all members of the Board were asked to rank their skills and experience from 1-4 (1 being no experience and 4 being highly experienced). The average number for 'Bridge engineering' experience was 1.5 and domestic and international tourism, education, retail and events was 1.83.

- b. **Disadvantages:** Although the BHE Board may seek to co-opt either external members or wider Members of the Court on to the Board to help fill the gap in bridge management expertise, the Board may feel that the skills of any such co-optees would be better utilised in a more focused setting of a Bridge Management Committee rather than engaging them in wider matters at Board level. The BHE Board supported the idea of engaging co-opted members on its Committees, rather than at the Board level, at its February Board meeting. However, it should be noted that there are other ways for the Board to draw upon Bridge engineering/ tourism expertise e.g., through consultation with other Court Committees or through informal consultative forums.

8. To support the Board in considering the two options presented, an analysis of reports presented to the past six Board meetings on specific Bridges-related items (including the tourism and events activities at Tower Bridge) is shown at *Table 1* to highlight the time that has currently been spent on such matters at the Board.

**Table 1 – Bridge items on Board agenda**

	<b>No. of Bridges items on agenda</b>	<b>% of Bridges items on agenda</b>
<b>May '21</b> (Total – 21 items)	2	9%
<b>July '21</b> (Total – 36 items)	4	11%
<b>September '21</b> (Total – 29 items)	3	10%
<b>November '22</b> (Total – 32 items)	4	12%
<b>January '22</b> (Total – 20 items)	2	10%
<b>February '22</b> (Total – 33 items)	2	6%
<b>Total items</b>	<b>17</b>	
<b>Average % on agenda</b>	<b>10%</b>	

9. The average number of items on the agenda (across six Board meetings to date) spent on Bridge matters is 10%. Of the 17 bridge-focused reports presented to the Board over the last five meetings, 47% of reports (8 items) were presented for decision, and the remaining 53% (9 items) were presented for information.
10. The analysis above demonstrates that (based on current levels of reporting) the Board would not save a substantial amount of time by establishing a Bridge Management Committee. If the Board retained all its functions relating to the primary object, the analysis of the Board's business over the past year indicates there would be sufficient time to appropriately consider operational Bridge business and scrutinise these activities at Board level. Retention at Board level would also help retain the primacy of the maintenance and support of the Bridges (and approach structures) in decision-making by the Board on wider and strategic matters for the charity's administration and management.

**11. Officers therefore recommend Option 2 (to retain all its functions for advancement of the charity’s primary object at Board level) for the reasons outlined above.**

## **Conclusion**

12. This report provides the BHE Board with two options to consider in relation to the potential creation of a Bridge Management Committee of the Board to be responsible, in furthering the charity’s primary object to maintain and support the charity’s five Thames Bridges (and approach structures), for the administration and management of these functional and operational assets of the charity. It is, however, the recommendation of officers to not establish a Bridge Management Committee but rather to retain all its functions for advancement of the charity’s primary object at Board level for the reasons set out within this report. The report is intended to provide stimulus for discussion and decision at today’s Board meeting, noting that decisions should be taken with a view to adopting the best structure (within the City Corporation’s internal governance framework) to support good governance of the charity and to ensure the City Corporation as Trustee can effectively discharge its responsibilities as Trustee in the interests of BHE over the coming year (such matters to be kept under review consistent with the duties of a Trustee).

## **Background Papers**

- Report to Bridge House Estates Board, entitled ‘Bridge House Estates Board Governance Arrangements 2022/23’, dated 16 February 2022. [Item 6]

## **Milly Ehren**

BHE Head of Strategy & Governance

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	27 April 2022
<b>Subject:</b> BHE Investments Working Group	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045</i> Strategy does this proposal aim to support?</b>	1, 2 and 3
<b>Report of:</b> David Farnsworth, Managing Director of Bridge House Estates	<b>For decision</b>
<b>Report Author:</b> Milly Ehren, BHE Head of Strategy and Governance	

## Summary

This report sets out a proposal to establish a Bridge House Estates (“BHE”) Investments Working Group (“Working Group”), comprising of Members of the BHE Board and officers, to make recommendations to the Board on investment matters such as: considering the future management of the charity’s investment portfolio following the anticipated grant of the Supplemental Royal Charter by updating the charity’s Investment Strategy Statement (“ISS”) and discussing matters such as return requirements, risk appetite, asset allocation, and regulatory requirements; and, also considering the governance arrangements for the Board in the managing the charity’s investments. The BHE Board are asked to consider the recommendation and if supported, expressions of interest from the Board are sought to participate in the Working Group. Furthermore, if approved, officers will prepare draft Terms of Reference for the Working Group and circulate to the Board for comment outside of the meeting.

## Recommendations

It is recommended that the Bridge House Estates Board, in the 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. Consider the proposal to establish a BHE Investments Working Group, comprised of Members of the BHE Board and officers, and if approved, agree for officers to prepare draft Terms of Reference for the Working Group.

## Main Report

### Background

1. In February 2022, the BHE Board considered a report which set out matters for decision which were recommended to support the Board in the ongoing effective administration and governance of BHE, consistent with the City Corporation’s legal obligations as Trustee of the charity.
2. Within the report, amongst several other recommendations, the BHE Board considered options in relation to the governance of its finance and investments. The Board agreed to retain all functions at the Board level for the next civic year, keeping such matters under review. In considering the options presented, the BHE Board expressed informal support to establishing a BHE Investments Working

Group for 2022/23. This report therefore sets out a proposal for the BHE Board to formally consider and agree upon in relation to establishing such a Working Group.

## **Proposal**

3. It is recommended that the BHE Board consider establishing a BHE Investments Working Group, comprised of Members of the Board and officers, to review and make recommendations to the BHE Board on the following matters:
  - a. The future management of the charity's investment portfolio following the anticipated grant of the Supplemental Royal Charter by updating the charity's Investment Strategy Statement and considering matters such as return requirements, risk appetite, asset allocation and regulatory requirements; and,
  - b. The governance arrangements for the BHE Board in relation to the charity's finance and investment functions i.e., a possible Finance & Investment Committee of the BHE Board.
4. At this stage, it is recommended that the Working Group is established for the 2022/23 civic year until March 2023. It is not yet known what the exact time requirement will be in participating in the Working Group, but it is anticipated that the Working Group would likely meet on a 4-6 week basis.
5. If the BHE Board support the proposal to establish a BHE Investments Working Group, expressions of interest in participating in the Working Group will be sought at today's meeting.
6. It is also recommended that the Working Group comprises of relevant officers. The appropriate officer representation will be considered in the draft Terms of Reference.
7. If the proposal is supported, it is recommended that the BHE Board agree for officers to prepare draft Terms of Reference for the Working Group which will be circulated to the full Board for comment.

## **Conclusion**

8. This report presents a proposal to establish a BHE Investments Working Group for 2022/23 to make recommendations to the BHE Board on investment matters such as future governance arrangements and the charity's Investment Strategy Statement. The BHE Board are asked to consider the proposal, and if approved, Members are asked to express their interest in participating in the Working Group.

### **Milly Ehren**

BHE Head of Strategy and Governance

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	27 April 2022
<b>Subject:</b> BHE Annual References to Court Committees	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045</i> Strategy does this proposal aim to support?</b>	1, 2 and 3
<b>Report of:</b> David Farnsworth, Managing Director of Bridge House Estates	<b>For decision</b>
<b>Report Author:</b> Milly Ehren, BHE Head of Strategy and Governance	

## Summary

This report sets out matters for decision which will support the Bridge House Estates Board (“BHE Board”/ “the Board”) in the effective administration and governance of Bridge House Estates (“BHE”) consistent with the City Corporation’s legal obligations as Trustee to do so. To help ensure seamless delivery of BHE’s administration, the report proposes that the BHE Board formally resolves for the ensuing 2022/23 civic year to proactively consult with, and seek the advice of, other Committees of the Court of Common Council, drawing on their experience and expertise, to facilitate existing workstreams and to better inform the Board’s decision-making on certain matters. The process of formal inter-committee consultation is described within the City Corporation’s governance framework as a ‘reference’ from one Court Committee to another by way of formal resolution.

In May 2021 and July 2021, the BHE Board previously approved references to the Policy and Resources Committee, the Investment Committee and the Audit and Risk Management Committee. Those Committees each then gave their support to the references. This report proposes that the BHE Board formally consider making the same references for the ensuing 2022/23 civic year (but for investment matters reflecting the expected alteration to the constitution of the Court of Common Council’s Committees in April 2022). This recommendation was informally supported by the BHE Board at its meeting in February 2022, when it considered its governance arrangements for the following civic year. However, in considering the recommendations, the Board may decide that the references are not required on a formal basis and could instead be consider on an ad-hoc basis as and when required or may consider that they are not needed at all, as all functions can be effectively carried out by the BHE Board itself.

## Recommendations

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

1. Consider making the following references to the named Committees of the Court of Common Council for the 2022/23 civic year:

- (a) Policy and Resources Committee

IT IS RESOLVED THAT the Policy & Resources Committee's advice be sought in relation to any existing and on-going Bridge House Estates projects which were previously within the purview of that Committee prior to the constitution of the Bridge House Estates Board to assist the Board in taking its decisions for the successful delivery of those projects for Bridge House Estates, as appropriate.

(b) Policy and Resources and Finance Committees

Following the establishment of a Property Investment Board and Financial Investment Board as joint sub-committees of the Policy and Resources and Finance Committees–

- i. IT IS RESOLVED THAT the Property Investment Board's advice be sought on management of investment matters relating to property within the Bridge House Estates investment property portfolio in accordance with the charity's management plans and investment strategies, having regard to the delegations to the City Surveyor (and in particular to the Investment Property Director, who was appointed as agent for Bridge House Estates in a deed of appointment approved by the Policy & Resources Committee on 13th January 2011), as appropriate.
- ii. IT IS RESOLVED THAT the Financial Investment Board's advice be sought on management of investment matters relating to assets within the Bridge House Estates' financial investment portfolio in accordance with the charity's management plans and investment strategies, having regard to the delegations to the Chamberlain (and in particular to the Corporate Treasurer), as appropriate.
- iii. IT IS RESOLVED THAT the Property Investment Board's and the Financial Investment Board's advice be sought on matters within the purview of that Committee relating to the implementation of the Climate Action Strategy which has been adopted for Bridge House Estates and the City Corporation acting in its other capacities, to assist the Bridge House Estates Board in taking its decisions independently for Bridge House Estates, as appropriate.

(c) Audit and Risk Management Committee

IT IS RESOLVED THAT the Audit & Risk Management Committee's advice be sought as appropriate in relation to audit and risk matters as they affect both the external audit of Bridge House Estates Annual Report, and otherwise as they affect audit and risk management for the charity which operates and is managed within City Corporation's operational and management audit and risk framework adopted in the discharge of all its functions, as appropriate.

2. Note that, where the functions of other Committees impact upon those of the BHE Board, there will be a requirement for ongoing consultation between Committees of the Court of Common Council under the City Corporation's corporate governance framework in the usual way to support the effective discharge of the City Corporation's functions as trustee of Bridge House Estates, and otherwise as required to support the City Corporation in the effective oversight and management of all of its functions.

## **Main Report**

### **Background**

1. In May 2021 and July 2021, the BHE Board approved references to the Policy and Resources Committee, the Investment Committee, and the Audit and Risk Management Committee. These references were agreed and adopted accordingly by the named Committees above.
2. The BHE Board agreed to establish the formal references from the outset of its creation in April 2021 to help ensure the seamless delivery of the Board's functions under the new governance arrangements for BHE, and otherwise to support continuity for the ongoing delivery of existing workstreams which were instigated by those other Committees prior to the creation of the BHE Board. The references also enabled the BHE Board to draw upon the skills, knowledge and experience of other Committees as relevant to the Board's business (e.g., in evaluating suitable strategic investment targets for the charity, etc). It was also intended to help ensure that necessary operational information is regularly shared with the Board to inform their decision-making.
3. At its meeting in February 2022, the BHE Board considered a range of proposals in relation to its governance arrangements for the ensuing year. Following discussion of the different options presented, particularly in relation to the establishment of further Committees of the Board, the proposal to continue with the current references in place was informally supported by the BHE Board – with recognition that the reference to the Investment Committee would need to be amended for 2022/23 following the Court's previous endorsement not to reconstitute that Committee at its meeting in April 2022 when it considers the White Paper by which the Court reconstitutes its Committees and sets their Terms of Reference each civic year.

### **Proposal**

4. Given the background information above, this report recommends that the Board considers whether to make references to the Policy and Resources Committee, including the proposed Property Investment Board and the Financial Investment Board to be jointly established by Policy & Resources Committee and Finance Committee, and the Audit and Risk Management Committee for the 2022/23 civic year. It should be noted that in referring a matter to a Committee of the Court, that matter may be considered by a Sub-Committee of that Committee acting within its terms of reference and delegated authority.

5. The formal reference of the proposed resolutions from the BHE Board to the relevant Committees are set out in the Recommendation 1 above. The relevant Committee (or their Sub-committees as relevant to their delegations and terms of reference) will consider the reference to it and will formally respond to the BHE Board in due course after taking its own decision in each case.
6. The matters identified in the recommendations reflect the need for continuity in the oversight and management of key matters for the charity. They also reflect that it is consistent with the discharge of the City Corporation's duty as trustee to draw on relevant skills, knowledge and experience of other Committees in administering the charity. However, in considering the recommendations, the Board may decide that the references are not required on a formal basis and could instead be considered on an ad-hoc basis as and when required, or may consider that are not needed at all, as all relevant functions can be effectively carried out by the BHE Board itself.
7. If approved, it is recommended that the references to other Committees (and their Sub-committees) is kept under review throughout the year, particularly should it be considered preferable in the future to draw directly on the skills, knowledge and experience of wider membership of the Court by constituting further Committees of the BHE Board itself.
8. Additional to the references which are presented for consideration at this meeting, it is recognised that there will be an ongoing need to consult between Committees in the usual way where the functions of other Committees impact upon those of the Board and vice versa i.e., on matters of mutual interest and operational relevance to the City Corporation across the breadth of its functions, and for the purposes of the Board as relevant to BHE. This will arise for example where:
  - a. there are strategic matters of common interest and significance for the City Corporation, both for itself and as trustee of BHE, such as climate action, security, or philanthropy, etc; or
  - b. on matters of general corporate governance for the City Corporation, such as changes to standing orders, financial and project management policies and procedures, etc; or
  - c. on matters which directly impact upon management of and operational delivery for BHE, such as - in setting a treasury management framework for the City Corporation; or the appointment of Auditors of the City Fund, City's Cash and/or Bridge House Estates Annual Reports; or in considering resourcing needs across the organisation through the implementation of a new Operating Model for the City Corporation, etc.
9. The consultation between Court Committees will both assist the City Corporation in managing its functions effectively across the whole, as well as ensure that the BHE Board is properly consulted on matters which directly impact upon the charity and the discharge of the Board's functions for the City Corporation as trustee of BHE.

## Conclusion

10. This report sets out a proposal for governance arrangements to be adopted for the BHE Board's engagement with other Committees of the Court of Common Council through the mechanism of formal reference of resolutions from one Court Committee to another under the City Corporation's internal corporate governance framework. It is recommended that the BHE Board formally consider making a reference to the Policy and Resources Committee, including on investment matters to the proposed Property Investment Board and the Financial Investment Board to be jointly established by Policy & Resources Committee and Finance Committee, and the Audit and Risk Management Committee for the 2022/23 civic year. The recommendations will support the Board in most effectively discharging its functions and responsibilities for the City Corporation as Trustee of BHE under the City Corporation's governance framework, and ensure that proper overview and consideration of matters of common interest or significance across the whole of the City Corporation's operation is maintained, all of which is clearly considered to be in BHE's best interests.

## Background Papers

- Report to the Bridge House Estates Board, entitled 'Governance Arrangements: Establishment of a Grants Committee and Co-Option Protocol', dated 14 July 2021, [Item 9].
- Report to the Bridge House Estates Board, entitled 'References to other Grand Committees – Consultation & Advice', dated 4 May 2021, [Item 17].

## Milly Ehren

BHE Head of Strategy and Governance

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## BRIDGE HOUSE ESTATES BOARD Wednesday, 16 February 2022

Minutes of the meeting of the Bridge House Estates Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall and via MS Teams on Wednesday, 16 February 2022 at 1.45 pm

### Present

#### Members:

Alderman & Sheriff Alison Gowman (Deputy Chair, in the Chair)  
Deputy Henry Colthurst  
Alderman Professor Emma Edhem  
Paul Martinelli  
Jeremy Mayhew  
John Petrie  
Deputy Henry Pollard

#### Officers:

David Farnsworth	- Managing Director of Bridge House Estates
Simon Latham	- Bridge House Estates
Karen Atkinson	- BHE & Charities Finance Director, representing the Chamberlain
Amelia Ehren	- Bridge House Estates
Anne Pietsch	- Comptroller & City Solicitor's Dept.
Nicholas Gill	- City Surveyor's Department
Kate Limna	- Chamberlain's Department
Paul Monaghan	- Environment Department
Ola Obadara	- City Surveyor's Department
Christopher Earlie	- Bridge House Estates
Tim Fletcher	- Town Clerk's Department
Stewart Goshawk	- Bridge House Estates
James Graham	- Chamberlain's Department
Ian Hughes	- Environment Department
Julia Megone	- Chamberlain's Department
Fiona Rawes	- Bridge House Estates
Philip Saunders	- Remembrancer's Department
Ruth Kocher	- Environment Department
Joseph Anstee	- Town Clerk's Department

#### 1. APOLOGIES

Apologies for absence were received from Deputy Dr Giles Shilson (Chair), Deputy Jamie Ingham Clark and Judith Pleasance. Apologies for lateness were received from Jeremy Mayhew.

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

Alderman & Sheriff Alison Gowman declared an interest in Item 12 by virtue of being a Trustee of Trust for London.

3. **MINUTES\***

**RESOLVED** – That the minutes of the meeting held on 11 January 2022 be agreed as a correct record.

4. **OUTSTANDING ACTIONS**

The Board received a list of outstanding actions and noted the updates provided on each item. The Board noted that the target completion date for the review of the Transitional Investment Strategy Statement would be amended to December 2022 to allow time for review following the anticipated grant of the Supplemental Royal Charter which was still being progressed.

**RESOLVED** – That the outstanding actions be noted.

5. **MANAGING DIRECTOR'S REPORT**

The Board received a report of the Managing Director of BHE providing an update on key areas of activity across the whole charity since the Board's last meeting in January 2022 and outlining upcoming activities for the Board to note. The Managing Director of BHE introduced the report and drew Members' attention to the key updates, including appointments made to roles in the BHE Leadership Team effective from February 2022.

Climate Action Strategy

In response to a question from a Member, the City Surveyor gave the Board further detail on the proposed steps with regards to supporting the Net Zero target and wider Climate Action Plan in the charity's property portfolio. The Board noted that officers had participated in workshops and exchanged information with other major charities.

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

6. **BHE BOARD GOVERNANCE ARRANGEMENTS 2022/23**

The Board considered a report of the Managing Director of BHE setting out matters for decision which are recommended to support the Board in the ongoing effective administration and governance of BHE, consistent with the City Corporation's legal obligations as Trustee of the charity. The Managing Director of BHE introduced the report and drew Members' attention to the key points, also outlining each item requiring the Board's consideration in turn and the options for decision.

Review of the BHE Board's Terms of Reference

The Board discussed the BHE Board's Terms of Reference, noting several amendments proposed by officers. Members commented that they felt Co-opted Members were more suitable for the main Board than Board Committees,



but agreed to maintain flexibility and agreed retaining up to two rather than three Co-optees within the Board's membership could be supported.

The Board agreed that the provision within the Board's Terms of Reference for reporting to the Court of Common Council should be amended from biannual to annual, subject to the approval of the Court of Common Council.

#### Other BHE Board Governance and Delegation Arrangements

The Board agreed that other governance arrangements outlined, such as levels of delegation should be continued without amendment, noting that these matters were regularly reviewed as necessary.

#### Committees of the Board

The Board considered whether to establish a Bridge Management Committee for the ensuing year. Members discussed the potential benefits and challenges of establishing such a Committee, and arising from the discussion the Board agreed to defer a decision on this matter to the next meeting.

The Board then agreed that the Grants Committee should be reconstituted for the ensuing year, and supported the extension of the current terms of the two existing co-optees on the Committee which would be progressed in accordance with the agreed process for appointing Co-opted members.

#### Investments

The Managing Director of BHE introduced and outlined the options available to the Board with regards to City Corporation governance for the administration and management of BHE's investments, both arising from the City Corporation's wider corporate governance review and in the context of regular review by the Board of its Terms of Reference in administering and having responsibility for the day-to-day management of the charity. The Deputy Chair noted the current position before drawing the Board's attention to the options outlined and recommendations.

Arising from discussion of the recommendations relevant to the outcomes of the City Corporation's Lisvane (Corporate Governance) Review, the Board agreed not to participate in informal joint meetings with other City Corporation investment committees in developing investment strategies for the charity and for the City Corporation's other Funds, nor to establish a formal joint sub-committee with the Policy & Resources and Finance Committees that would have delegated authority to undertake the operational management of BHE investments. Members commented that the existing arrangements, with the wider City Corporation Investment Boards having an advisory role to the BHE Board in respect of BHE investments, were satisfactory for the time being, and that it was not clear that informal joint meetings for the development of investment strategy were necessary for the time being.

Members then discussed the options outlined regarding a prospective BHE Finance & Investment Committee of the BHE Board. The Board agreed to retain these functions at Board level for the ensuing year, but that establishing a BHE Investment Committee should be a longer-term aspiration, as the

charity's Investment Strategy was likely to diverge from that of the City Corporation's other Funds over time, and this would support the Board in independently and more actively pursuing avenues such as green and social investments where considered to be in the best interests of the charity.

#### Audit & Risk Management Committee

The Board agreed not to establish a BHE Audit & Risk Management Committee and to retain these functions at Board level for the ensuing year.

#### Social Investments

The Board agreed that decisions on social investments would be retained at Board level for the ensuing year, noting that further discussion on social investments would take place following the anticipated grant of the Supplemental Royal Charter and associated social investment powers.

**RESOLVED** - That Members, in the discharge of functions for the City Corporation as Trustee of Bridge House Estates (Charity No. 1035628) and solely in the charity's best interests:

1. Review the Terms of Reference of the Bridge House Estates Board and agree the proposed amendments outlined in the report for submission to the Court in April 2022; with the exception of the following matters:
  - The Board's membership shall include provision for 'Up to 2 external co-opted members', rather than '3 external co-opted members'; and
  - The Board's requirement to report to the Court of Common Council shall be amended from 'at least biannually' to 'at least annually';
2. Agree the proposals set out at paragraphs 17 – 22 in relation to other arrangements of the BHE Board relating to levels of delegations, co-option, frequency of meetings, agendas, style of reports and culture, noting that these matters will be kept under review;
3. Agree that a decision in relation to the discharge of functions pertaining to the primary object of the charity, either by retaining all functions at the Board level or by establishing and making further delegations to a Bridge Management Committee, shall be deferred to the April meeting of the Board;
4. Agree to support the reconstitution of the Grants Committee of the BHE Board in April 2022 for the ensuing year, and endorse the extension of the terms of the current Co-opted Members of the Committee in accordance with the terms of the agreed Co-option Protocol;
5. Decline to agree the recommendations within the City Corporation's Lisvane Review at paragraphs 38 – 46, to:
  - a. Participate in a joint informal investment meeting of Resource Allocation (Policy & Resources) Sub Committee, together with the Chairs and Deputy Chairs of Finance Committee and the Financial

Investment Board (“FIB”) and Property Investment Board (“PIB”); and/or,

b. Establish PIB and FIB as a formal joint sub-committee of Policy & Resources and Finance Committees and the BHE Board;

6. Agree to retain finance and investment functions at the Board level for the ensuing year, with the longer-term aim of establishing one or more Board Committees in the future to discharge these functions under delegated authority;
7. Agree to retain all audit & risk functions at the Board level and continue to seek advice from the City Corporation’s Audit & Risk Management Committee, as appropriate; and
8. Agree to retain all social investment functions at Board level for the time being.

**7. BHE BUSINESS PLAN 2022/23**

The Board considered a report of the Managing Director of BHE presenting an overview of the overarching priorities for BHE in 2022/23, and setting out the draft Tower Bridge (TB) and City Bridge Trust (CBT) high-level summary Business Plans for 2022/23. The Managing Director of BHE introduced the report and drew Members’ attention to the key points, also advising that the full Business Plan for CBT would be submitted to the Grants Committee. A Member, noting the distinct emphasis on Tower Bridge, and suggested that further detail on the other bridges be additionally included going forward.

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

- i) Note the overarching priorities for Bridge House Estates for 2022/2023;
- ii) Approve, subject to the incorporation of any changes sought by this Board, the final high-level summary Business Plan for 2022/23 for Tower Bridge; and,
- iii) Note the draft City Bridge Trust high-level summary Business Plan for 2022/23 (pending consideration by the BHE Grants Committee in March).

**8. BHE PRINCIPAL RISK REGISTER**

The Board considered a report of the Managing Director of BHE providing the Board with an update on the management of risks faced by Bridge House Estates (“BHE”). The Managing Director of BHE introduced the report and outlined the amendments made since the previous submission of the Risk Register.

**RESOLVED** – That the Bridge House Estates Board, in discharge of functions for the City Corporation as Trustee for Bridge House Estates and solely in the charity’s best interests:

- i) Approve the Bridge House Estates Principal Risk Register at Appendix 2; and
- ii) Note the next steps to undertake an extensive review of all the charity's risks prior to April 2022.

9. **BHE REVENUE BUDGET 2022/23 AND MEDIUM-TERM FINANCIAL PLAN**

The Board considered a report of the Managing Director of BHE and the BHE & Charities Finance Director, representing the Chamberlain, updating on the 2021/22 latest forecast and presenting the 2022/23 revenue budget and Medium-term Financial Plan (MTFP), covering financial years 2023/24 – 2025/26, for BHE.

The BHE & Charities Finance Director, representing the Chamberlain, introduced the report and outlined the key features of the revenue budget and the medium-term financial plan for the Board, before drawing Members' attention to the recommendations in respect of several matters for consideration by the Board, including the creation of a designated fund for the Climate Action Strategy (CAS) and options for the level of free reserves to be held. In response to a question from a Member, the BHE & Charities Finance Director advised that a further proposal would be brought to the Board regarding the reallocation of funds to the designated fund for the CAS, should its creation be agreed.

The Deputy Chair, in the Chair, then drew the Board's attention to the recommendations and sought the Board's agreement on each matter in turn.

**RESOLVED** – That the BHE Board, 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:

1. Note the latest revenue forecast for 2021/22;
2. Approve the 2022/23 revenue budget and Medium-Term Financial Plan for period 2023/24 – 2025/26;
3. Approve the creation of a designated fund for the Climate Action Strategy and agree that £15m should be moved to this fund from the Unrestricted Income Reserves. The amount held within this designated fund is to be reviewed on an annual basis with the permitted spend in any year to be within the available balance within the designated fund;
4. Agree to hold additional free reserves of £55m over and above the agreed minimum policy of £35m across the period of the Medium-Term Financial Plan as a mitigation against the uncertain period in which the charity is operating, maintaining the current approved level of free reserves of £90m;
5. Approve the 2022/23 capital and supplementary revenue project budgets, which have been included within the calculations for reserves;

6. Approve that all Departments within the City Corporation managing budgets on behalf of BHE prepare these for 2023/24 under a zero-based budgeting basis;
  7. Note that a revised Medium-Term Financial Plan for the charity will be developed, covering a period of 5 years, once the power for total return accounting for endowed charities is granted as anticipated by way of Supplemental Royal Charter later this year; and,
  8. Endorse this report for onward approval to the Court of Common Council.
10. **BHE CONTINGENCY FUND REQUEST - INVESTMENT PROPERTY PORTFOLIO SURVEYS TO UNDERSTAND CLIMATE ACTION NEEDS**  
The Board considered a report of the BHE & Charities Finance Director requesting the approval of a 2021/22 forecast expenditure increase of £150k to cover the expenditure required to undertake surveys across BHE's directly managed investment property portfolio.
- RESOLVED** – That the BHE Board approve funding of £150k from the BHE Central Contingency Fund, to enable the cost of the surveys of the directly managed investment property portfolio necessary to assess the works required to achieve EPC 'B' by 2030 and net zero in carbon emissions by 2040, to be met from BHE revenue (income) funds rather than from within the Designated Sales Pool.
11. **UPDATE ON BHE CONTINGENCY FUNDS**  
The Board received a report of the BHE & Charities Finance Director providing the Board with an update on the 2021/22 Central Contingencies uncommitted balances held by Bridge House Estates (BHE).
- 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 Bridge House Estates for 2021/22 (para 4); and
  - b) Note that £150k is being requested from the central contingency provision at Item 10 on the agenda for surveys of the investment property portfolio to assess the works required to contribute to achieving the charity's Climate Action Strategy (CAS) net zero carbon emissions target (para 5).
12. **DELEGATED AUTHORITY REQUEST: FUNDING APPLICATIONS OVER £500,000**  
The Board considered a report of the Managing Director of BHE requesting delegated authority to approve grants requiring the approval of the Board before the next meeting of the Board. The Board noted that the Grants

Committee of the BHE Board would consider the applications at its meeting in March 2022, with applications recommended for approval subsequently submitted to the Board for decision under the delegation proposed here.

**RESOLVED** – That the BHE Board delegate authority to the Town Clerk, in consultation with the Chair and Deputy Chair, to approve grant awards of £500,000 and above within the current financial year upon the recommendation of the Grants Committee at their March meeting.

**13. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2022/23**

The Board considered a report of the Chamberlain setting out the City of London Corporation's Treasury Management Strategy Statement and Annual Investment Strategy (TMSS) for 2022/23. The BHE & Charities Finance Director introduced the report and advised that the report had also been approved by the Financial Investment Board and Finance Committee for the City Corporation.

**RESOLVED** – That the BHE Board review and approve the Treasury Management Strategy Statement and Annual Investment Strategy for 2022/23 on behalf of Bridge House Estates.

**14. QUARTERLY UPDATE ON FINANCIAL INVESTMENTS WORKSTREAM UNDER THE CLIMATE ACTION STRATEGY\***

The Board received a report of the Chamberlain setting out the updates on quarterly progress for the Financial Investments workstream under the Climate Action Strategy (CAS).

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

**15. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD AND ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT**

A Member asked officers for further information regarding proposed TfL closures at London Bridge. The Executive Director of Environment advised that officers had noted the concerns raised about the impact of these proposals and would be working with TfL accordingly, with an update to be brought back to the Board on any issues arising and the impact of TfL's proposals.

**16. 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.

**17. NON-PUBLIC MINUTES\***

**RESOLVED** – That the non-public minutes of the meeting held on 11 January 2022 be agreed as a correct record.

18. **NON-PUBLIC APPENDICES - MANAGING DIRECTOR'S UPDATE REPORT**  
The Board received non-public appendices in respect of Item 5.
19. **BHE - PETITION FOR GRANT OF SUPPLEMENTAL ROYAL CHARTER**  
The Board considered a report of the City Remembrancer, the Comptroller & City Solicitor and the Managing Director of BHE.
20. **CHARITIES BILL\***  
The Board received a report of the City Remembrancer.
21. **NON-PUBLIC APPENDICES - CENTRAL CONTINGENCIES BUDGET UPDATE\***  
The Board received non-public appendices in respect of Item 11.
22. **HORACE JONES HOUSE/BRIDGEMASTERS - GATEWAY 2**  
The Board considered a report of the City Surveyor.
23. **SECURE CITY PROGRAMME (SCP) - CCTV GATEWAY 5: DELEGATED AUTHORITY REQUEST**  
The Board considered a report of the Executive Director of Environment and the Commissioner of the City of London Police.
24. **SOCIAL ENTERPRISE CITY PROPOSAL TO THE BHE SOCIAL INVESTMENT FUND**  
The Board considered a report of the Managing Director of BHE and the BHE & Charities Finance Director.
25. **INVESTMENTS PERFORMANCE MONITORING TO 31 DECEMBER 2021: BRIDGE HOUSE ESTATES\***  
The Board received a report of the Chamberlain.
26. **BHE: ANNUAL UPDATE & 2022 INVESTMENT PROPERTY STRATEGY**  
The Board considered a report of the City Surveyor.
27. **DELEGATED AUTHORITY REQUEST - BHE: 30-34 NEW BRIDGE STREET, EC4V 6BJ**  
The Board considered a report of the City Surveyor.
28. **BHE: CANDLEWICK HOUSE, 116-126 CANNON STREET, LONDON EC4 - ISSUES REPORT - DELEGATED AUTHORITY REQUEST**  
The Board considered a report of the City Surveyor.
29. **BHE: REFURBISHMENT OF TOWER CHAMBERS, 74 MOORGATE, EC2 - GATEWAY 4 ISSUES REPORT**  
The Board considered a report of the City Surveyor.

30. **BHE QUARTERLY DELEGATED AUTHORITIES UPDATE - 1 OCTOBER 2021 TO 31 DECEMBER 2021\***  
The Board received a report of the City Surveyor.
31. **BHE OUTSTANDING LEASE RENEWALS & RENT REVIEWS - 1 JULY 2021 TO 31 DECEMBER 2021\***  
The Board received a report of the City Surveyor.
32. **BHE VACANT ACCOMMODATION UPDATE AS AT 31 DECEMBER 2021\***  
The Board received a report of the City Surveyor.
33. **BHE REVENUE WORKS PROGRAMME - 21/22 PROGRESS REPORT\***  
The Board received a report of the City Surveyor.
34. **QUESTIONS ON MATTER RELATING TO THE WORK OF THE BOARD AND ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There was other business.
35. **INTERNAL AUDIT**  
The Board received an update on an Internal Audit matter.

**The meeting ended at 4.04 pm**

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Chair

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



**The Bridge House Estates Board – Outstanding Actions, April 2022**

**Status Key**

**Green** = Complete

**Amber** = In progress

**Red** = Not yet started

Item	Date	Action	Officer responsible	Target Completion Date	Actual Completion Date	Progress update	Status
1.	16 February 2022	To defer decision on options in relation to a possible Bridge Management Committee to April's Board meeting.	Amelia Ehren	27 April 2022	27 April 2022	<u>Apr 2022:</u> Report presented to the BHE Board in April presents recommendations regarding whether or not to create a Bridge Management Committee for the Board's decision.	Green
2.	16 February 2022	Present report to the BHE Board reviewing the charity's operational Treasury arrangements with the City Corporation.	Karen Atkinson	September 2022	-	<u>Apr 2022:</u> Initial discussions & investigations underway within the Chamberlain's Department to progress the matter.	Amber
3.	11 January 2022	Board to complete Skills & Effectiveness Audit	Amelia Ehren	19 January 2022	16 February 2022	<u>Apr 2022:</u> Complete. Following appointment of new Members, officers will carry out a refreshed skills audit for 2022/23.	Green
4.	11 January 2022	Service Level Agreement between	Simon Latham/	Originally March 2022;	-	<u>Apr 2022:</u> SLA awaiting detail being worked through by City	Amber

		BHE and City of London Police	Anne Pietsch	revised to July 2022		of London Police (delay caused by change in staff).  <u>Feb 2022:</u> Development of SLA currently taking place – will provide further clarity about the policing services that BHE receives and financially contributes to.	
5.	24 November 2021	List all Members of the Board in the Bridging London Strategy and Annual Progress Reports	Amelia Ehren	11 January 2022	-	<u>Apr 2022:</u> Complete. Further revisions will be required after April Board meeting to include new Members of the Board.	
6.	24 November 2021	Revise Scheme of Delegations to officers to enable MD to approve small amounts of BHE contributions to capital funding projects	David Farnsworth	11 January 2022	-	<u>Apr 2022:</u> Review of Scheme of Delegations took place in January 2022 providing the Managing Director of BHE with greater delegated authority powers. A further revision to include this specific matter is still required and will be worked through in the next month with the Assistant Town Clerk & Executive Director of Governance and Member Services.	
7.	24 November 2021	Arrange Member and Officer risk review meeting	Amelia Ehren	16 February 2022	-	<u>Apr 2022:</u> Due to change in Members as a result of the Elections, officers will now seek to arrange the risk review meeting in May 2022.	

						<p>Expressions of interest from Members to support this in-depth review are sought today to support the process.</p> <p><u>Feb 2022:</u> In-depth reviewed delayed pending result of recruitment of BHE COO who will lead, on behalf of BHE MD, risk management for the charity– Member and officer risk review meeting to now be arranged between February – April 2022</p>	
8.	24 November 2021	Review of Transitional Investment Strategy Statement	Karen Atkinson	December 2022	-	<p><u>Apr 2022:</u> To be further reviewed following the anticipated grant of the Supplemental Royal Charter.</p>	

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	27 April 2022
<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>Report of:</b> David Farnsworth, Managing Director of BHE	<b>For Decision</b>

## Summary

To support the Bridge House Estates Board (“the BHE Board”/ “the Board”) in the discharge of its functions, this regular report provides an update on key areas of activity across the whole charity since the Board last met in February 2022 and outlines upcoming activities for the Board to note. Specifically, the report provides updates on: the Bridges, including specific activities at Tower Bridge, Blackfriars Bridge and Southwark Bridge, City Bridge Trust funding updates including a recommendation to extend the Bridging Divides Strategy, developments relating to responsive grant offers, the LocalMotion collaboration, the Bridge Programme and Collaborative Action for Recovery (CAR) (provided in a non-public appendix at Item 24), updates and activities relating to a refreshed skills audit for Members, a proposed review of the charity’s Risk Register, the progress of the implementation of the BHE Operating Model, and matters relating to the charity’s finances and investment portfolios.

## Recommendations

It is recommended that the Bridge House Estates Board, in the 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) Endorse the proposal to the Court of Common Council, upon the recommendation of the Grants Committee of the BHE Board, to re-commit to the overarching vision and mission of the Bridging Divides funding strategy and extend the funding strategy for a further five years from 2023 to 2028 (with the Charity Commission being formally notified, subject to agreement of the Court);
- ii) Express their interest, or nominate Members, to support with a detailed review of the charity’s Risk Register as highlighted at paragraph 18; and,
- iii) Note the further contents of the report.

## Main Report

### Bridge Updates

1. Ongoing maintenance and support of the five Thames bridges continues to progress as part of the 50-year Bridge Maintenance Plan. The BHE Board will continue to be updated on bridge engineering matters through ongoing reporting to the Board.
2. Tower Bridge – The Board will be aware of the latest wave of Extinction Rebellion protest activity across London, from 8 – 17 April, then weekends of 23 April, 30 April and 7 May. Although there was no prior indication of Tower Bridge being targeted, activity took place on the morning of Friday 8 April which saw a banner

drop from the carriageway, with protestors abseiling and tying themselves underneath the Bridge's bascules. The Bridge was subsequently closed to road users and pedestrians, after which close working with the City of London Police resulted in the banner being seized and protestors retrieved from the underspan, before reopening fully a few hours later. Although there is no specific intelligence to suggest the Bridge will be targeted again within the current campaign, the team at Tower Bridge are in close and frequent contact with the Met and City Police forces for daily updates, and remain vigilant with regard to the potential for further disruptive protest activity.

3. The visitor attraction and venue hire business at Tower Bridge has seen positive recovery, with higher than expected levels of income over the last months of 2021/22. In particular, the events business saw exceptional bookings in the first three months of the calendar year, including its busiest March on record. Business performance for the full financial year will be reported in detail at a later meeting of the Board.
4. Major projects continue at Tower Bridge, with the year-long High Voltage system replacement in progress and currently due for completion in December 2022. Although not a critical matter and bridge lifts remain operational, an issue has also been identified with the alignment of the Bridge's bascules. This matter is currently being investigated by the Environment Department, the Tower Bridge operational team and specialist contractors, with remedial works likely to take place later this year.
5. Blackfriars Bridge - Work on the Blackfriars Bridge Refurbishment Project began in the New Year. The parapet on Span 2 of the Bridge has been dismantled and is now being refurbished off site. The first sections of painting are underway, giving us glimpses of the restored, rich red colour of the Bridge. Although there have been some additional repairs identified, the project team have undergone a Value Engineering exercise as requested and identified some significant savings. The project remains on time and within budget. Details of this will be covered in a report at the next Board meeting.
6. On Saturday 15 April Extinction Rebellion formed in small groups utilising swarming tactics, with groups taking over junctions for a short time (4-5 minutes) then moving on. Having been elsewhere in the Westminster footprint, they moved towards a number of bridges, to join two other protests at Shell and Tate Modern. Extinction Rebellion protestors gathered at Lambeth Bridge, Blackfriars Bridge, Westminster Bridge and Waterloo Bridge. The protests caused disruption to busses and TfL as well as fire and ambulance services, who were forced to reroute. By 8:00pm protestors left Blackfriars Bridge and the events did not affect the current painting works in any way.
7. Southwark Bridge - After some delay due to adjacent developments, the contract for the re-waterproofing of Southwark Bridge approaches has now been awarded to FM Conway and work is due to start in June 2022.

8. Suicide Prevention – BHE officers, in collaboration with the wider City Corporation, continue to progress work in relation to Suicide Prevention within the City of London. A verbal update on matters will be provided in the non-public session.
9. Security – A verbal update on Bridge security matters will be provided in the non-public session.

### **City Bridge Trust (CBT) Funding Updates**

10. Bridging Divides Strategy – It is recommended that the overarching vision and mission of the funding strategy *Bridging Divides 2018-2023* is extended for a further five years. This proposal was considered by the BHE Grants Committee in September 2021 and the recommendation was arrived at through the interim review of the Bridging Divides Strategy. The BHE Board is asked to endorse the extension of Bridging Divides to 2028, upon the recommendation of the Grants Committee of the BHE Board, for onward approval to Court in May 2022.
11. Updating CBT's responsive grant offer – In March 2022, the Grants Committee asked officers to update CBT's funding programmes for children and young people, older Londoners, and deaf and disabled people, reflecting lessons learned during the pandemic. The Grants Committee also agreed to receive proposals on a new mental health funding programme. This work will be completed for the June Grants Committee, at which point CBT will have revised its responsive funding offer, having reviewed the entire pre-covid offer and new phase in London's recovery.
12. LocalMotion – LocalMotion is a collaboration between CBT and five other funders, joining forces to tackle economic, environmental, and social inequality in six places, utilising the resources of all six funders and places to have an impact which is greater than the sum of its parts. Barley Communications, a branding and communications partner, and new learning partner IG Advisors have been appointed and a learning report covering initial phases of work has been published (available on request).
13. LocalMotion is coordinated by a dedicated Director of Collaboration and a group of Directors from each of the funders (DD Group). Officer Sam Grimmatt Batt (Funding Director) has agreed to Chair the DD Group following the departure of the previous Chair.
14. Bridge Programme update – CBT's "Funder Plus" offer, The Bridge Programme, connects CBT grant funded organisations with a range of free, non-financial support to help address specific issues they have, whilst enhancing capacity, resilience, and longer-term stability. Areas of support include fundraising and business planning, management systems, HR, and governance. The current pilot has been extended by six months to 30 September 2022, this extension is possible within the existing budget so further financial commitment is not required. The extension will allow more organisations already in the application pipeline to benefit from the programme. The evaluation of the programme along with an internal review will inform future recommendations to the Grants Committee.

15. Collaborative Action for Recovery (CAR) – An update on this area of activity is provided at Appendix 1 in the non-public section to this report at Item 24.

## **Governance & Strategy Updates**

16. Governance arrangements – Several reports are presented to the BHE Board today which set out matters to support the Board in the ongoing effective administration and governance of the charity. As three new Members have been appointed to the BHE Board, officers will undertake a refreshed Skills & Effectiveness Audit by the Summer so that the information is relevant and up to date.
17. Risk Management – Previously, the BHE Board endorsed the proposal for officers, in collaboration with the Board, to undertake an extensive review of the charity's risk register, particularly in regard to the responsibility and ownership of the charity's risk management. It was agreed that such a review would take place following the recruitment of the BHE Chief Operating Officer (COO), who is the lead officer for risk management of the charity. The COO was successfully recruited in February 2022. In February, however, a decision was taken to wait to arrange the meeting following the City Corporation's Elections. Following the Elections, the membership of the BHE Board has changed and two of the Members who previously expressed interest in supporting the review process were not re-elected. It was then agreed it would be preferable to arrange the risk review meeting following appointment of Members to the three vacant positions on the Board.
18. It is now the intention of officers to arrange a Risk Review meeting in May 2022, supported by the former Corporate Risk Manager, Paul Dudley, who is working with BHE on a consultancy basis to help with the review. Expressions of interest from Members who are keen to be involved in the Risk Review meeting are sought today. It is anticipated that the initial time-requirement would be no more than a one-off 2-hour session. The review recommendations will then be presented to the July 2022 BHE Board meeting. If endorsed, the Annual Principal Risk Register will then be presented to the Court of Common Council for final approval (as per the Board's current Terms of Reference) and kept under regular review.
19. BHE Operating Model – In January 2022, the new BHE Leadership Team structure became effective following the Phase 1 Target Operating Model (TOM) process. The final post to recruit in the new structure is the Chief Funding Director, and the intention is to launch this recruitment campaign in May 2022, supported by an external search-agency ensuring diversity, equity and inclusion (DEI) considerations are front and centre of the recruitment.
20. With the exception of the BHE & Charities Finance Team (a proposal in relation to this team can be found in the confidential section of the agenda today) it is proposed that Phase 2 of the TOM process will be initiated in September/ October 2022. Phase 2 will look at the wider resourcing needs of the charity across the following teams: COO Directorate, Tower Bridge, Communications and Engagement, CBT Funding, and the Philanthropy Team (including the Central Grants Unit). As there are several interdependencies across the teams'



restructures, it is proposed that they are all reviewed at the same time. The proposed initiation in September/ October 2022 will also allow sufficient time for the new BHE Leadership Team to be fully embedded, with the return of the COO from Shared Parental Leave in June and an anticipated start date of the Chief Funding Director in September. The BHE Board will continue to be kept up to date on the implementation of the operating model over the coming months. For now, an updated and current organisational chart can be found at Appendix 2.

## **Communications Updates**

21. Website – The current CBT website is being replaced by a BHE website. The website will represent all teams within BHE and showcase their work, with a highly visible link to Tower Bridge, but will predominantly feature the CBT grants open for applications on the home page. It will have a strong focus on ensuring the grant application process is clear and accessible, in engaging yet plain English. The wireframing and infrastructure architecture development has begun, as well as testing ‘user journeys’ – a way of ensuring current and potential funded organisations can find the information they need quickly. A final draft of the website design will be shared with the Chair and Deputy Chair of the BHE Board for discussion and approval in the coming weeks.
22. BHE Brand Positioning – Work continues to develop the BHE brand position. Following on from developing the positioning statement and key messages, CBT and Tower Bridge communications staff joined together in a workshop to begin developing tone of voice principles and communication style. A session will be scheduled for Board Members during the Summer to discuss and agree on the brand position thus far and debate the final stage: design and brand identity. It will then be tested with BHE’s key audiences, with an eye to have the project finalised by Autumn 2022.
23. Communicating Bridging Divides – As part of updating BHE’s digital offer, the BHE Communications and Engagement Team have been leading on transforming the language and descriptions of everything CBT has to offer, from funding to non-financial to sector collaborations. The Communications Team have worked closely with the Funding Team and CBT Management Team to ensure end results reflect the recent work on revisions of the Bridging Divides strategy.
24. Media Coverage – Since the last BHE Board meeting on 16 February there have been 55 items of media coverage on City Bridge Trust and other City Corporation charitable giving. Including coverage in *Sky News* of a £174,800 grant to FoodCycle for its community kitchens, *London Live* on a £103,100 grant to Bromley Mencap and stories in *City AM*, *South London Press* and *Ham & High*.

## **BHE Finance Updates**

25. Provisional income and expenditure for 2021/22 is provided in paragraphs 26 to 28 below, which are subject to further accounting and audit adjustments as the year-end review and audit is undertaken.

26. Provisional total income for 2021/22 is £32.6m, a reduction of £14.8m (31.2%) on the previous year. Restricted grant income of £15.0m received from various funders towards the London Community Response Fund last year accounts for the difference between the two years. Following the lifting of pandemic-related restrictions, Tower Bridge tourism income saw a steady recovery with increases in visitor admissions, retail and events. Investment income was stable compared to 2020/21 despite the instability in financial markets in the final quarter of 2021/22. Other income has also decreased due to reduced furlough income compared to what was received in 2020/21.
27. Provisional total expenditure, excluding pension scheme costs, for 2021/22 is £58.4m, a reduction of £28.9m (33.1%) on the previous year. The reduction is mainly attributable to the decrease in grant-making activities compared to the record high of grant commitments for the previous year. A pause in grant-making, whilst an interim review of the Bridging Divides programme took place, led to the reduction in grant commitments for 2021/22. As a result, some grant commitments have been deferred to subsequent years.
28. Delays across two key projects within the 50-year Bridges Maintenance Plan; the Tower Bridge High Voltage System replacement and Blackfriars Bridge refurbishment have also contributed to lower than anticipated spend. Both projects will be completed within agreed timescales. However, in a third key budgeted project, the Millennium Bridge retention cables, an assessment of the rigidity of the cables deemed their condition as being suitable. Therefore, the budgeted spend for these works have been removed in the short to medium term.
29. External Audit Plan 2021/22 – Crowe, BHE's newly appointed external auditors, will present their Draft Audit Plan for the financial year 2021/22 to the Audit and Risk Management Committee (ARM) at their May 2022 meeting for information and comments (as per the reference currently in place). The Audit Plan will include their audit strategy alongside key audit matters such as materiality, audit risks and the timetable for the year under review.
30. Following the May 2022 ARM Committee, the Audit Plan, together with any recommendations from the ARM Committee, will be circulated to BHE Board for information.
31. The external audit field work is scheduled for July 2022. Crowe's Audit Completion Report and BHE draft Annual Report and Financial Statements 2021/22 are expected to be presented to the September 2022 Committee of ARM for their consideration and advice. The BHE Board will be asked to consider any observations from ARM and approve the BHE Annual Report and Financial Statements 2021/22 in early October 2022.

### **BHE Investment Portfolio Updates**

32. Property Investments – At Electra House, 84 Moorgate, where a major refurbishment is underway, an agreement for a lease with Fashion Retail Academy for the whole of the upper floors was completed on 31 March 2022. The lease will

be for term of 15 years at an annual rent of £2.78m (on completion of the refurbishment and after expiry of a rent-free period).

33. The Fashion Retail Academy was established in 2005 by fashion and retail industry leaders, and partners with over 140 businesses from well-known high-street names to high end luxury brands. It offers a range of diplomas, vocationally tailored to prepare students for the next step in their fashion / retail careers. Their current building on Greese Street (close to Tottenham Court Road) can no longer meet the demand or growth ambitions, such that new, modern accommodation was required in order to enable expansion.
34. A new 5-year lease for the 5th floor of 4-7 Chiswell Street has been granted to Augmentum Fintech Management Ltd (a venture capital investor). The rent will be £241,200 pa on expiry of a rent-free period. The floor has recently been refurbished and has achieved an EPC B rating.
35. New leases have been completed for the 4th and 5th floor offices at 24/25 New Bond Street. The 4th floor tenant Stamford Associates (investment consultants) and has taken a 5-year lease at a rent of £108,120 pa following expiry of a rent-free period. The 5th floor was taken by Blink Concept (a financial services company) on a 10-year lease at an initial rent of £105,000 pa, rising to £115,000 pa in year 3 following expiry of a rent-free period. This means that the building is fully let and upon expiry of the rent-free incentives will be generating a total rent of £3.23 m pa.
36. Financial Investments – The market value of the BHE financial investments portfolio as at 28 February 2022 (the latest information available) is estimated to be £870m, which represents a decrease of £35m versus the position as at 31 December 2021 (as reported at the Board's February meeting) and an increase of £29m since the start of the financial year. The change in value over the two months since 31 December 2021 is largely driven by a decline in asset prices across financial markets since the turn of the year, although £5m reflects cash distributions from the alternative assets portfolio. Across financial markets, most asset classes generated negative returns in the first two months of 2022 owing to the expectation that interest rates will need to be higher in future than previously assumed in order to control inflation. Within the portfolio, the impact of these changes is most visible in the growth-oriented areas of the portfolio including the global equity mandates managed by Baillie Gifford and C WorldWide whilst the multi-asset managers have largely held their value (and in the case of Ruffer, increased in value). The overall asset allocation is designed to add value over the full economic cycle and therefore the value of the portfolio is expected to fluctuate in response to cyclical macroeconomic changes. As at 28 February 2022, the portfolio's annualised absolute return over the past 12 months, 3 years and 5 years is +6.4%, +9.3%, and +6.5% respectively. No asset allocation changes have been implemented since the last Board meeting.
37. Social Investment – The quarter ending 31<sup>st</sup> December 2021 showed a return of 3.33% (0.17% above end September 2021) on £9.5m of monies drawn by investees. In addition to the £9.5m drawn, investees can call on an additional £1.6m of funding, so the Fund had total active commitments of £11.1m at this point

(with some investments maturing before year end), divided almost 60:40 between property and fixed income loans. The most recent quarter finished shortly before the deadline for today's papers and before updates were received from across the portfolio investees. Nonetheless, officers have not seen any notable negative impacts in the period January – March 2022, and one investment (providing accommodation for vulnerable migrants) matured with a greater return than expected. The social impact themes currently supported include homelessness, domestic violence, young carers, LGBTQ+ migrants, and adults with learning disabilities. A verbal update on any material issues from the most recent quarter can be provided at the meeting.

## **Conclusion**

38. This report provides a high-level summary of activities across the whole charity's operations and activities since the Board last met in February 2022. The Board 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 this report can be provided to the Board either verbally in the meeting or in a written format as a follow-up to the meeting.

## **Appendices**

- Appendix 1 – Non-public Item 24: Collaborative Action for Recovery (CAR)
- Appendix 2 – BHE Team Structure, April 2022

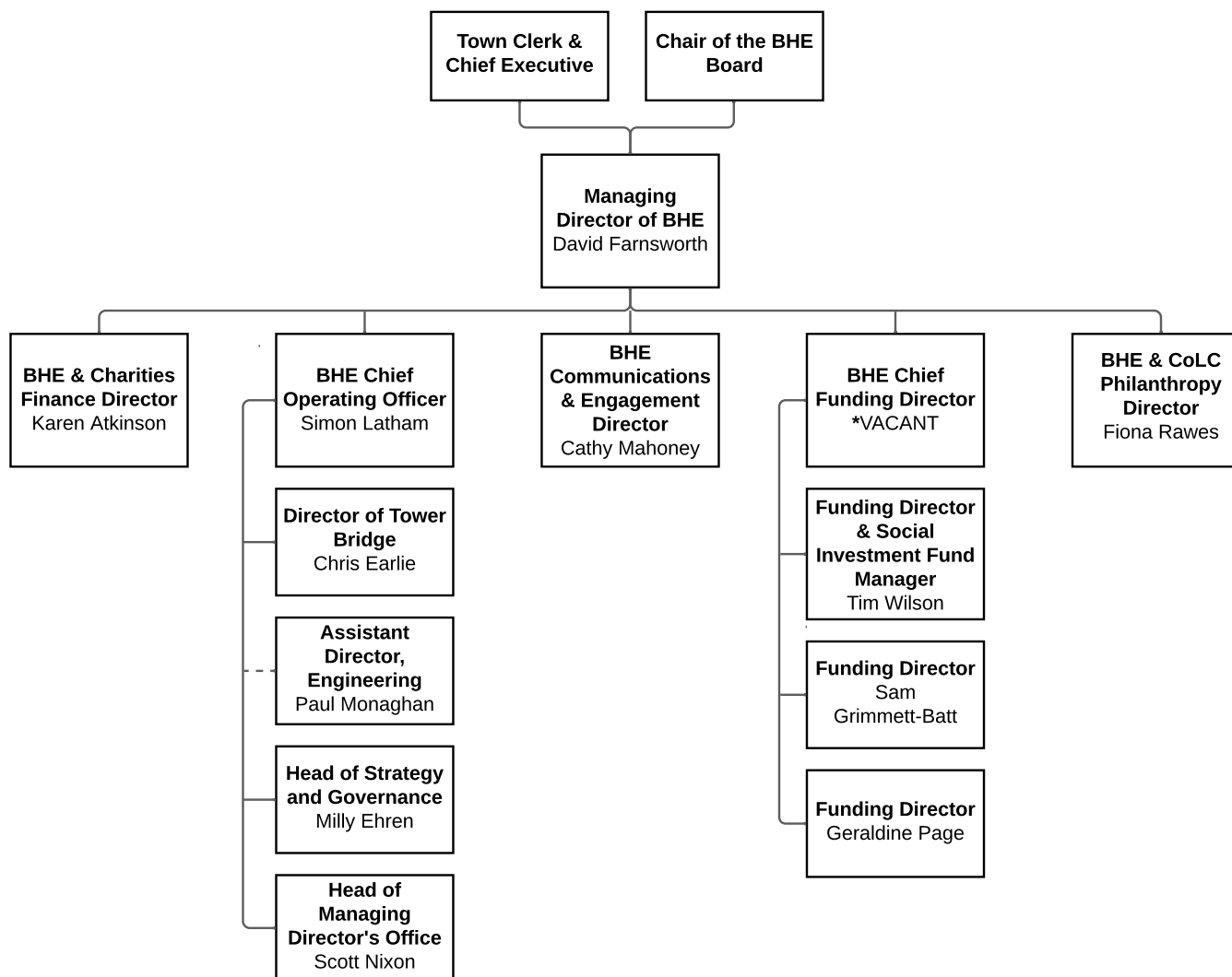
## **David Farnsworth**

Managing Director of Bridge House Estates

E: [David.farnsworth@cityoflondon.gov.uk](mailto:David.farnsworth@cityoflondon.gov.uk)

### Bridge House Estates Leadership Team Structure Chart

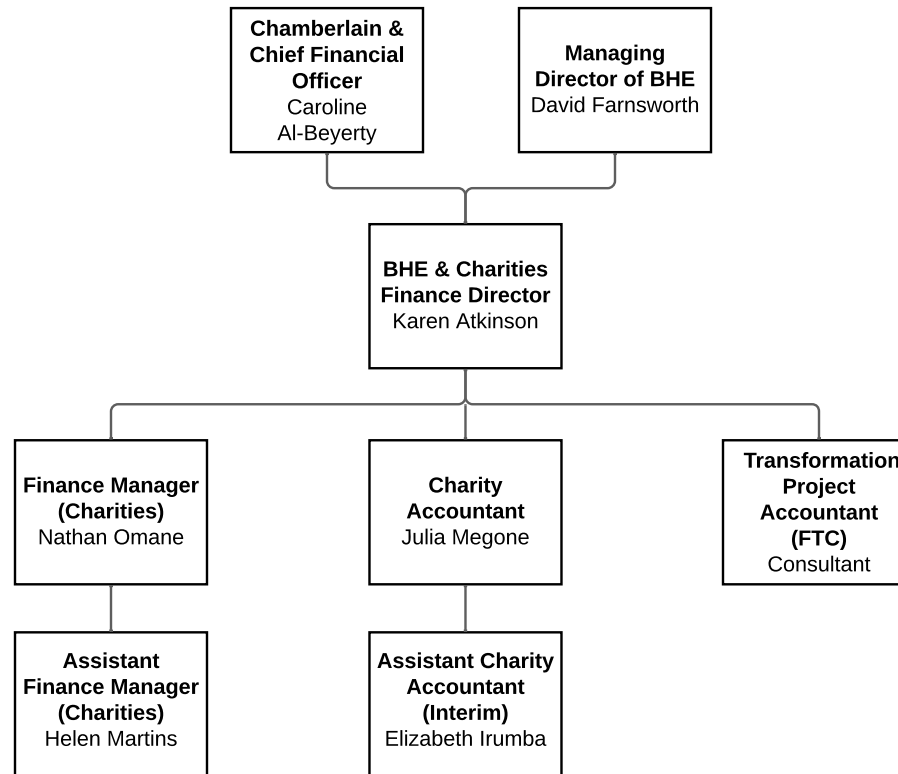
April 2022



*\*In the interim, Dinah Cox fulfils the Associate Director of City Bridge Trust role*

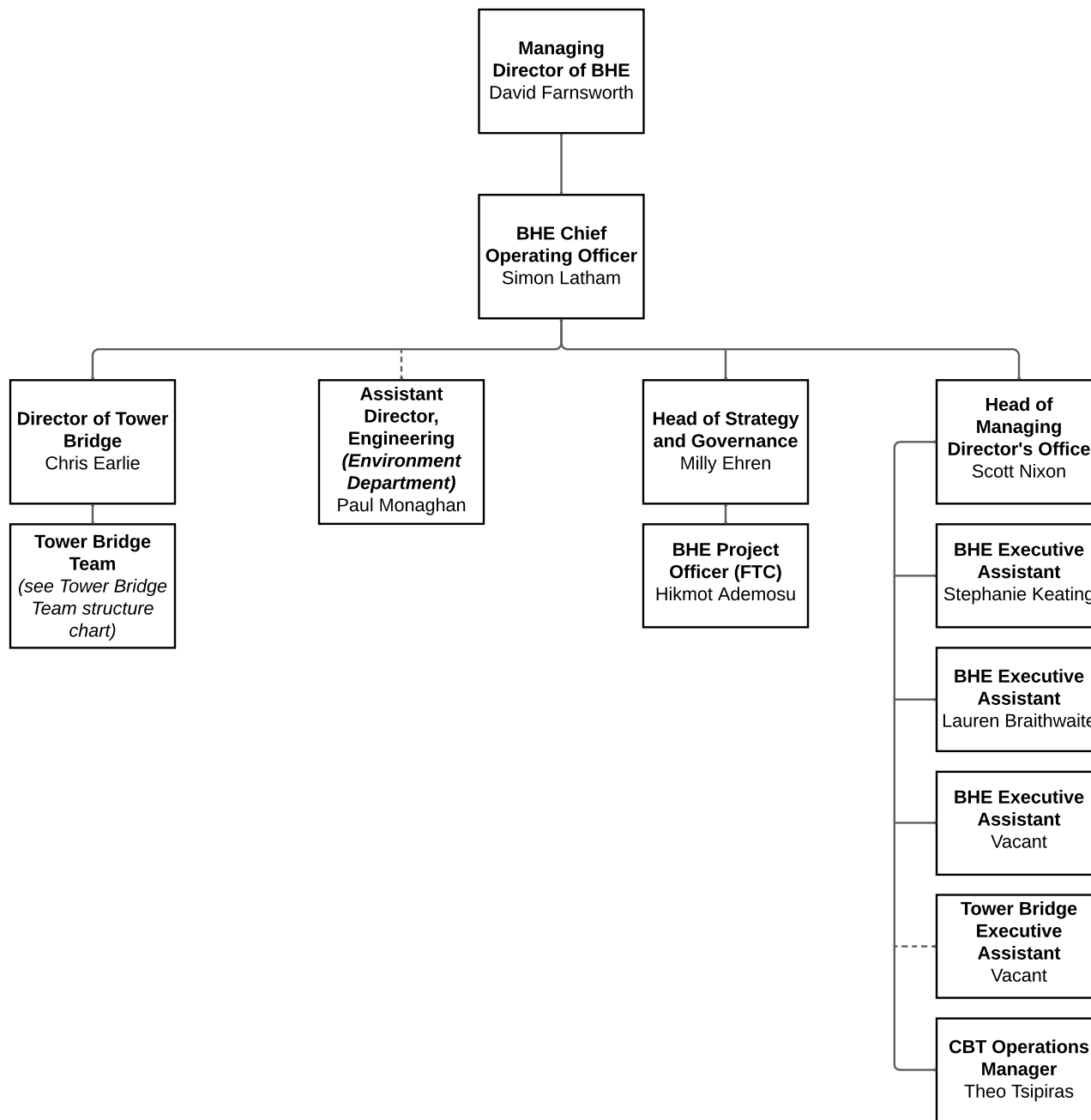
### BHE & Charities Finance Team Structure Chart

April 2022



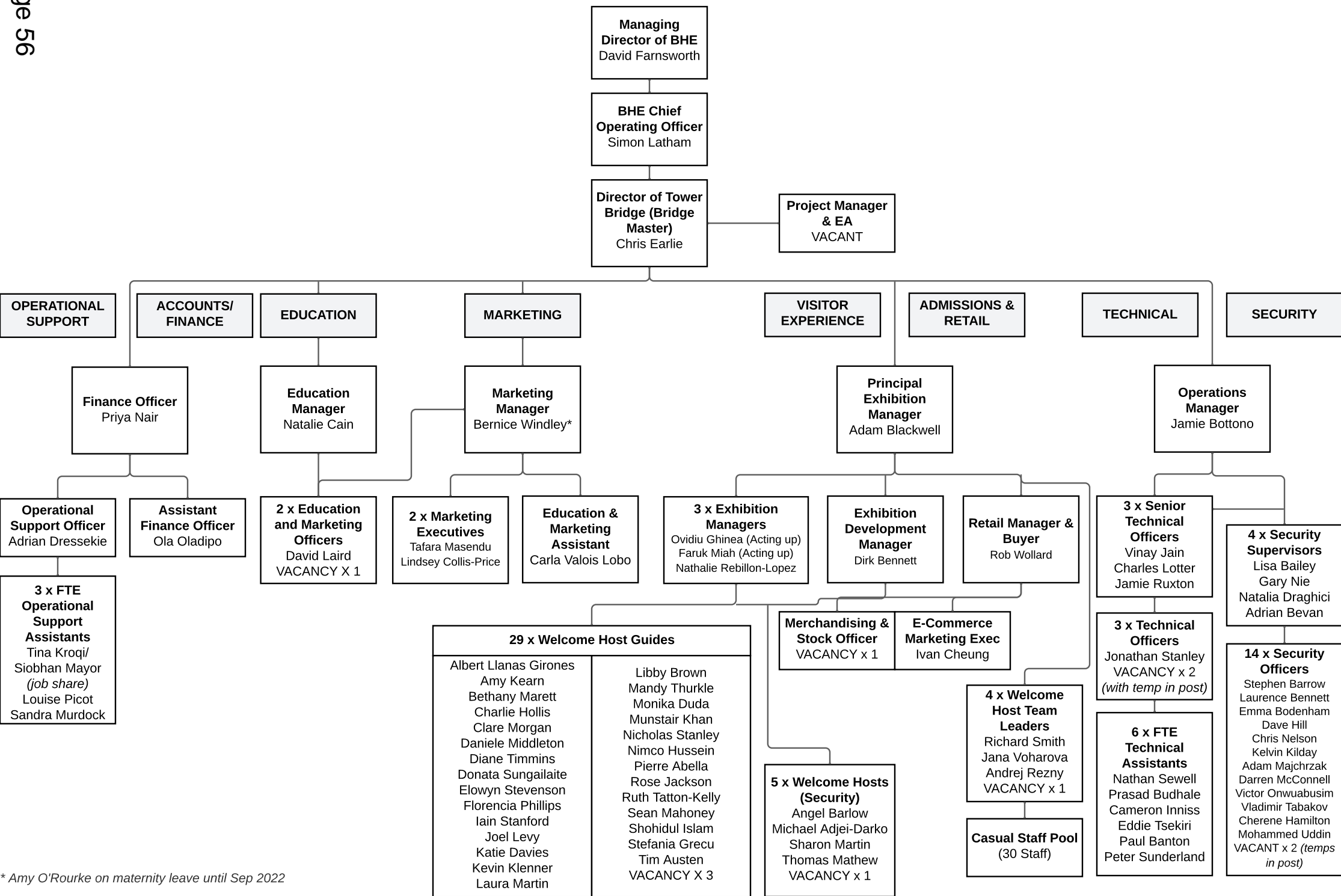
### COO Directorate Structure Chart

April 2022



# Tower Bridge Structure Chart

April 2022

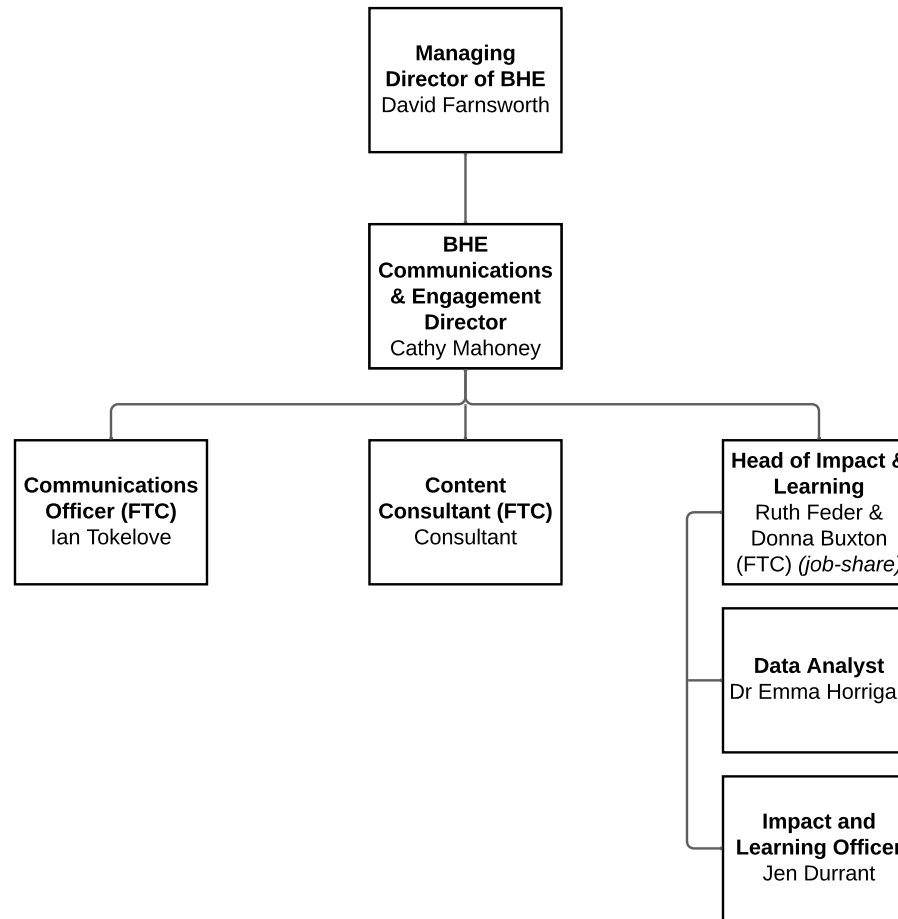


\* Amy O'Rourke on maternity leave until Sep 2022



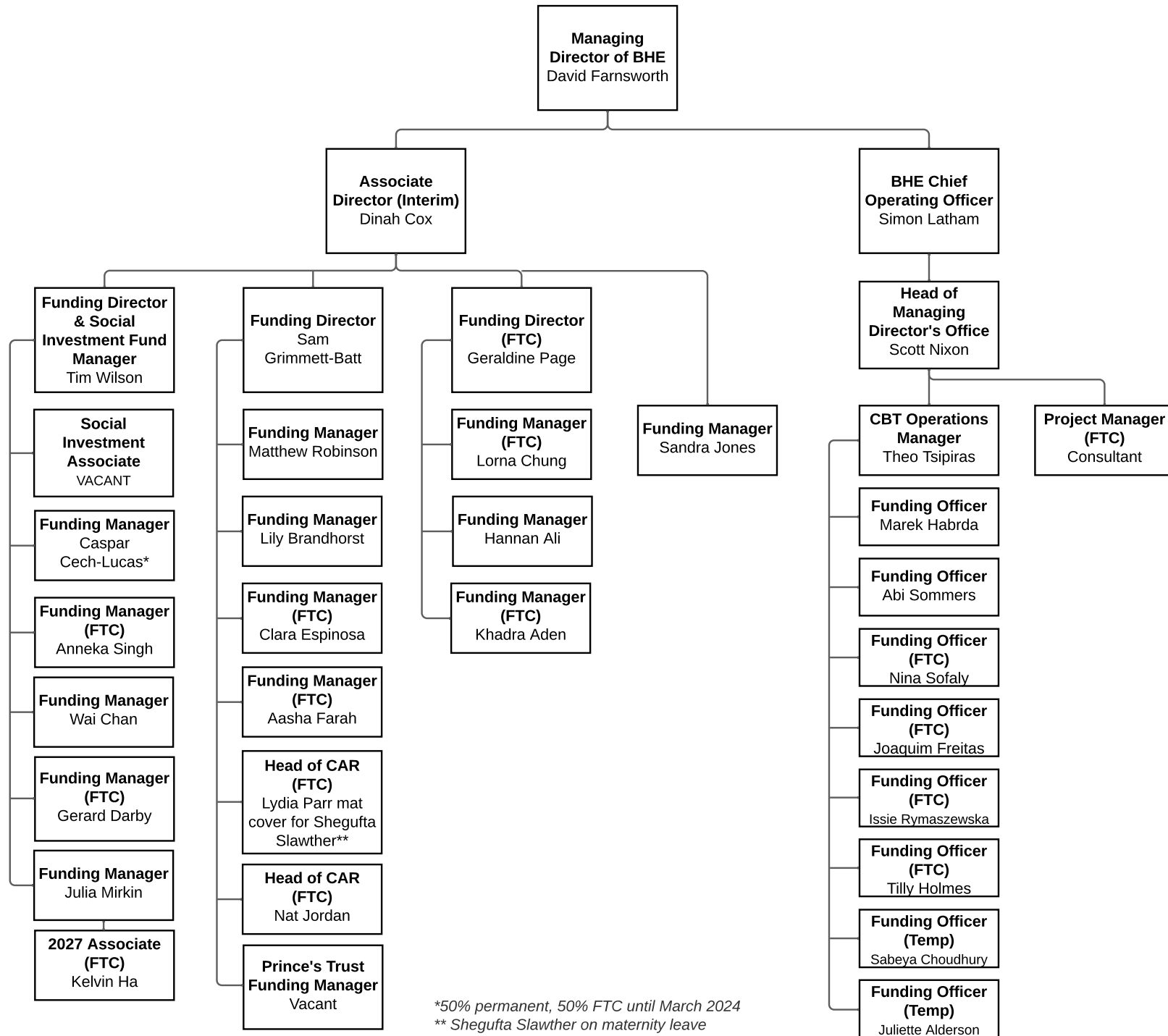
### BHE Communications and Engagement Team Structure Chart

April 2022



# City Bridge Trust Funding Team Structure Chart

April 2022

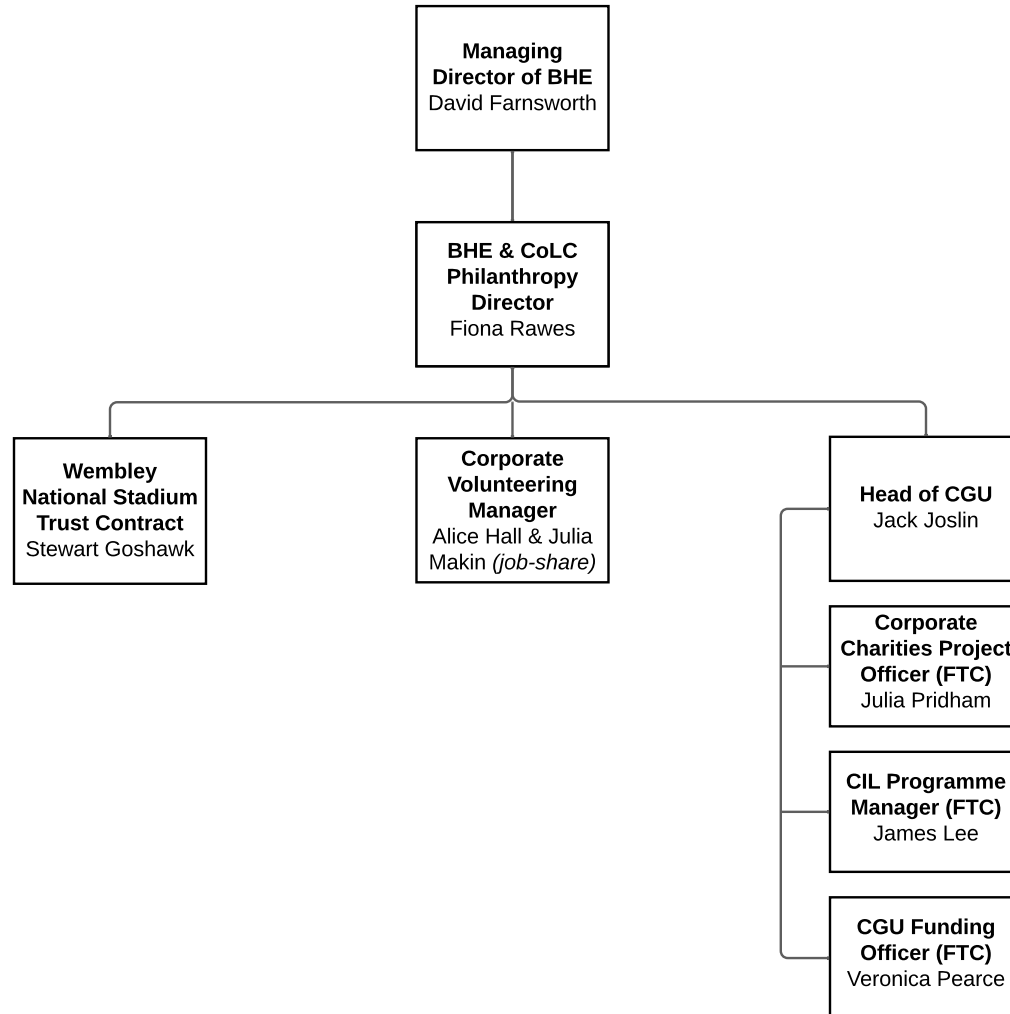


\*50% permanent, 50% FTC until March 2024

\*\* Shegufta Slawther on maternity leave

### Philanthropy Team Structure Chart

April 2022



CIL = Community Infrastructure Levy  
CGU = Central Grants Unit

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<b>Committees:</b> Corporate Projects Board - for information Bridge House Estates Board- for decision	<b>Dates:</b> 09 March 2022 27 April 2022
<b>Subject:</b> Tower Bridge - Replacement of Defective Bridge Driving Machinery Hydraulic Components  <b>Unique Project Identifier: 12222</b>	<b>Gateway 6:</b> <b>Outcome Report</b> Regular
<b>Report of:</b> Managing Director of Bridge House Estates  <b>Report Author:</b> Jamie Bottono, Operations Manager, Tower Bridge	<b>For Decision</b>
<h2 style="margin: 0;">PUBLIC</h2>	

### Summary

<b>1. Status update</b>	<p><b>Project Description:</b> To replace defective hydraulic pipework, components and upgrade hydraulic power units associated with the bridge lifting machinery at Tower Bridge.</p> <p><b>RAG Status:</b> Green</p> <p><b>Risk Status:</b> Low</p> <p><b>Costed Risk Provision Utilised:</b> £72,076 (of which £0.00 amount was drawn down at the last report to Committee)</p> <p><b>Final Outturn Cost:</b> £1,223,641 <i>Total project expenditure (including CRP)</i></p>
<b>2. Next steps and requested decisions</b>	<p><b>Requested Decisions:</b></p> <ul style="list-style-type: none"> <li>• Note contents of the report, lessons learned and approve closure of the project.</li> </ul>

v.April 2019

### **3. Key conclusions**

Delivering an engineering maintenance project of this nature on a 'live' operational bridge has proved extremely challenging, especially where we have a statutory duty to provide bridge lifts 24/7, 365 days a year.

The project was delivered as planned and within budget, taking into consideration all other operations and business needs, which required close working and co-operation with the contractor and staff on site.

At G1-5 the works were initially estimated to be 10 months. Following approval of the report, a detailed review of the programme was undertaken and revised to 15 months to accommodate design, pavement closure negotiations/ agreement with TfL, and procurement/ supply issues. The project was completed within the agreed programme and the primary objective to maintain bridge lifting was achieved.

The delivery of the new installations, one machinery room at a time, was an opportunity to further test our resilience by running one bascule (moving structural parts of the Bridge) on one machinery room, whereas it is normally two.

The upgrade and modernisation of the components, as well as improving pipework layout and access, should provide a reduction in revenue costs for maintenance and repairs. Bosch Rexroth have advised that the new installation is also expected to be more efficient and environmentally friendly delivering between 5-15% higher efficiency across the components in the system.

The project was managed in-house by the Tower Bridge Operations Manager and Technical Team, due to City Surveyors having no resources for this type of project, which impacted on day-to-day operations. It is therefore recommended that dedicated project management by an external consultant is provided for future 'specialist' projects of this type.

## Main Report

### Design & Delivery Review

<b>4. Design into delivery</b>	The design and delivery of the project was undertaken in collaboration with Bosch Rexroth and worked well. Challenges were presented around access to the machinery rooms, located beneath a public pavement, and engagement with TfL was necessary to introduce planned pavement closures for 3 weeks per machinery room.
<b>5. Options appraisal</b>	<p>There were options to 'Do Nothing', which would leave the risk of a major failure, and for a complete renewal, which would require extensive investigations and planning, as well as years to deliver at anticipated costs of between £14M - £20M.</p> <p>The option approved represented a lower project cost, could be delivered relatively quickly, and was considered low risk as it replaced existing components. It met the project objectives and should provide another 30 years of hydraulic performance, as well as being more efficient and environmentally friendly.</p>
<b>6. Procurement route</b>	<p>Tower Bridge has historic and specialist machinery and therefore the works were procured via the use of a sole waiver to appoint the original manufacturer, supplier, installer, and current maintainer of the hydraulics, Bosch Rexroth Limited. This was recommended by Tower Bridge Officers and agreed in consultation with City Procurement.</p> <p>Tendering this project would have resulted in Bosch Rexroth having to be appointed as a sub-contractor as this project was for the modernisation/ upgrade of their system, rather than a complete replacement.</p>
<b>7. Skills base</b>	The project was managed in-house by the Tower Bridge Operations Manager and Technical Team who worked closely with Bosch Rexroth. This presented challenges as there were no dedicated in-house resources and this impacted on the operational works of the team on site.

v.April 2019

<b>8. Stakeholders</b>	Internal stakeholders were engaged, managed, and kept informed through presentations to the Tower Bridge Management Group, all staff annual Business Planning sessions, staff daily briefings and communication via the all-staff daily report, prior to and during the delivery of the project.
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### Variation Review

<b>9. Assessment of project against key milestones</b>	<p>The project's programme was designed around the operations of the Bridge as well as the need for pavement closures to allow for safe entry to 3 of the 4 machinery rooms via access hatches in the public pavement (NW access is within the Ticket Office which required relocation of this facility during works).</p> <p>Physical installations were completed within the 3-week window for each pavement closure followed by cold/ hot commissioning which required maintenance bridge lifts.</p> <p>Within the G1-5 report the programme for the works was initially estimated to be 10 months and following signing of contracts in October 2020 and further review, it was revised to 15 months.</p>
<b>10. Assessment of project against Scope</b>	<p>The project delivered against the original scope and assisted with identifying improvements and further works due to access being gained to inaccessible areas as pipework and plant was removed.</p> <p>Elements of this were covered by the Costed Risk Provision and undertaken whilst Bosch Rexroth were on site. The remainder will be fed into future works covered by the 50-year maintenance plan.</p>
<b>11. Risks and issues</b>	<p>The Costed Risk Provision (CRP) for the project was £114,000.</p> <p>CRP R1 - Ensure our statutory obligation to carry out Bridge lifts can be maintained throughout the project, and</p> <p>CRP R2 - Failure to meet our statutory duty would reflect poorly on the City of London and Tower Bridge.</p> <ul style="list-style-type: none"> <li>• Bridge lifts were maintained throughout, although during the project there were two occasions where issues were experienced;</li> </ul>

v. April 2019



	<ul style="list-style-type: none"> <li>○ <b>9<sup>th</sup> August 2021</b> – Following the 13:45hrs bridge lift there was an issue with the bridge driving controls which prevented the Bridge from being lowered. This was investigated by the Bridge Driver and on-site team who eventually resolved the issue in conjunction with our on-call contractor who attended site. The Bridge was eventually lowered and locked into position at 01:00hrs.</li> <li>○ <b>4<sup>th</sup> November</b> – during the 15:30hrs commissioning maintenance lift the Bridge Driver could not lower the Bridge. Indications were a loss of hydraulic pressure from the south side machinery rooms and following investigations an oil leak was found in the southeast machinery room. This was resolved by the on-site team and Bosch Rexroth and the Bridge was lowered and locked into position at 17:35hrs.</li> </ul> <p>CRP R3 – Asbestos Survey, and</p> <p>CRP R5 - Asbestos may be discovered in inaccessible areas once static machinery/ components are stripped out.</p> <ul style="list-style-type: none"> <li>• Costs were realised for a sample survey due to the contractor identifying a fibrous material within a partition wall which was not captured within the Asbestos Management Survey – Total spend against CRP £150.</li> </ul> <p>CRP R4 – The project does not include for any other associated bridge driving operational components.</p> <ul style="list-style-type: none"> <li>• Costs were realised against this provision for additional electrical works and opportunities to install new components where issues were identified - Total spend against CRP £71,926.</li> </ul>
<p><b>12. Transition to BAU</b></p>	<p>Tower Bridge has a statutory duty to provide bridge lifts 24/7, 365 days a year. There are two machinery rooms per bascule (4 in total) and only one machinery room was isolated at any time, which allowed for bridge lifts to be undertaken, and therefore BAU was maintained throughout.</p> <p>The Bridge also remained open to users and paying visitors, although west or east pavement closures were required when necessary to access the machinery room hatches to remove/ lower equipment.</p>

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## Value Review

<b>13. Budget</b>	<table border="1"> <tr> <td><i>Estimated Outturn Cost (G1-5)</i></td> <td>           Estimated cost (including risk):            £1,265,565             Estimated cost (excluding risk):            £1,151,565         </td> </tr> </table>		<i>Estimated Outturn Cost (G1-5)</i>	Estimated cost (including risk): £1,265,565  Estimated cost (excluding risk): £1,151,565																												
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<i>Total</i>	£1,265,565	£1,223,641																														
<p>The Chamberlain has been consulted and a verification check has been undertaken by the Director of Tower Bridge.</p>																																
<b>14. Investment</b>	<p>This is a maintenance project which was necessary due to the age and condition of the existing installation. It is anticipated that we will achieve another 30 years of hydraulic performance through the upgrades/ modernisation works undertaken.</p>																															
<b>15. Assessment of project against SMART objectives</b>	<ul style="list-style-type: none"> <li><i>The ability to continue providing bridge lifts during the works, for which we have a statutory duty to undertake, and conduct "business as usual" - was achieved, however, there were some issues experienced as detailed in paragraph 11,</i></li> </ul>																															

v. April 2019

	<ul style="list-style-type: none"> <li>• <i>To reduce the risk of failure of aged and deteriorating components which will result in long term downtime and commissioning - <u>this is part of a programme of upgrade/modernisation/ renewal to bridge driving components and performance will be monitored through reactive works,</u></i></li> <li>• <i>To reduce the amount of future reactive works and high costs to replace plant which can be measured through monitoring associated budgets - <u>50-year maintenance plan is reviewed 6 monthly and efficiencies will be identified at this time.</u></i></li> </ul>
<p><b>16. Key benefits realised</b></p>	<ul style="list-style-type: none"> <li>• Reduced the risk of an issue with hydraulic pipework before or during a bridge lift,</li> <li>• The system is more efficient and environmentally friendly delivering between 5-15% higher efficiency across the upgraded components in the system,</li> <li>• Significant savings, time, and money, to upgrade/ modernise as opposed to completely replace (£1.2M as opposed to £14M - £20M),</li> <li>• Anticipated expectation of another 30 plus years of hydraulic performance,</li> <li>• Future reduction in revenue costs for maintenance and reactive repairs of aged hydraulic components.</li> </ul>

**Lessons Learned and Recommendations**

<p><b>17. Positive reflections</b></p>	<ul style="list-style-type: none"> <li>• Good working relationships and co-operation between Tower Bridge staff and our long-standing contractor, Bosch Rexroth, whilst working on a 'live' constrictive site,</li> <li>• Bridge lifting is usually conducted with all four machinery rooms in operation (two per bascule) and this project has required the isolation of one machinery room at a time. This has proven our resilience, in the event of the unforeseen loss of a machinery room, that we can continue to carry out bridge lifts or isolate a room for future works, if necessary,</li> <li>• Agreed and enhanced procedures, including working at height and pavement closures, in place to create a safe working</li> </ul>
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	<p>environment for the contractor to access the machinery rooms from pavement level worked well,</p> <ul style="list-style-type: none"> <li>• Project was completed as per agreed programme and therefore no impact on our next major project, HV System Replacement, which commenced on 13<sup>th</sup> December 2021.</li> </ul>
<b>18.Improvement reflections</b>	<ul style="list-style-type: none"> <li>• The need for dedicated project management resource for these types of 'specialist' projects, rather than manage in-house, as this impacted on day-to-day operational delivery,</li> <li>• Following any works to the bridge driving components, including software, a full interrogation of all systems must be undertaken via the control software which should indicate a 'healthy' system. Any alarms or abnormalities must be investigated, and once cleared, a maintenance lift should be undertaken,</li> <li>• The west pavement closure started on the first day of the October half term and during that week the Bridge was busy. Congestion and gathering of crowds on the east pavement were experienced during the first bridge lift. Pavement closures should therefore be avoided during school holidays and peak periods if possible.</li> </ul>
<b>19.Sharing best practice</b>	<p>There is a comprehensive programme of major projects and works over the next few years and on-site knowledge and experience, with regards to logistics and challenges associated with working on Tower Bridge, will be shared with colleagues.</p>
<b>20.AOB</b>	N/A

### Appendices

<b>Appendix 1</b>	Project Coversheet
<b>Appendix 2</b>	Project Photographs
<b>Appendix 3</b>	

### Contact

<b>Report Author</b>	Jamie Bottono
<b>Email Address</b>	Jamie.bottono@cityoflondon.gov.uk
<b>Telephone Number</b>	020 7940 8391

v.April 2019

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# Project Coversheet

## [1] Ownership & Status

**UPI: 12222**

**Core Project Name:** Tower Bridge - Replacement of Defective Bridge Driving Machinery Hydraulic Components

**Programme Affiliation:** N/A

**Project Manager:** Jamie Bottono, Operations Manager, Tower Bridge

**Definition of need:** There are a large number of fittings 'weeping' which is an indication that the seals need replacing and to facilitate this there are large sections of the pipework which will need to be removed and replaced due to the nature of the installation. There are also many hydraulic leaks from pipework joints, leaking pressure switches and a number of other components are in poor condition and in need of replacing.

### Key measures of success:

- 1) Reduction in leaks and potential for major failure leading to contamination of machinery through oil penetration which would result in additional works to refurbish and reinstate,
- 2) Reduction in reactive maintenance and callouts of external contractor to initiate temporary repairs to aged and obsolete components,
- 3) To improve the resilience of the pipework and seals for a further 40 years and therefore reduce maintenance costs and the operational teams time in dealing with failures.

**Expected timeframe for the project delivery:** April 2021 - December 2021

### Key Milestones:

- Gateway 1 – 5 Report: July 2020,
- Start on Site: April 2021,
- Completion: December 2021
- Gateway 6 Report:

**Are we on track for completing the project against the expected timeframe for project delivery?** Yes

**Has this project generated public or media impact and response which the City of London has needed to manage or is managing?** No

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**[2] Finance and Costed Risk**

**Headline Financial, Scope and Design Changes:**

**'Authority to start Work' G1 - 5 report (as approved by PSC 30/07/2020):**

- Total Estimated Cost (excluding risk): £1,151,565
- Spend to date: £1,151,565
- Costed Risk Against the Project: £114,000
- CRP Requested: £114,000
- CRP Drawn Down: £71,926 (post G5)
- Estimated Programme Dates: April 2021 – December 2021

*Scope/Design Change and Impact: N/A*

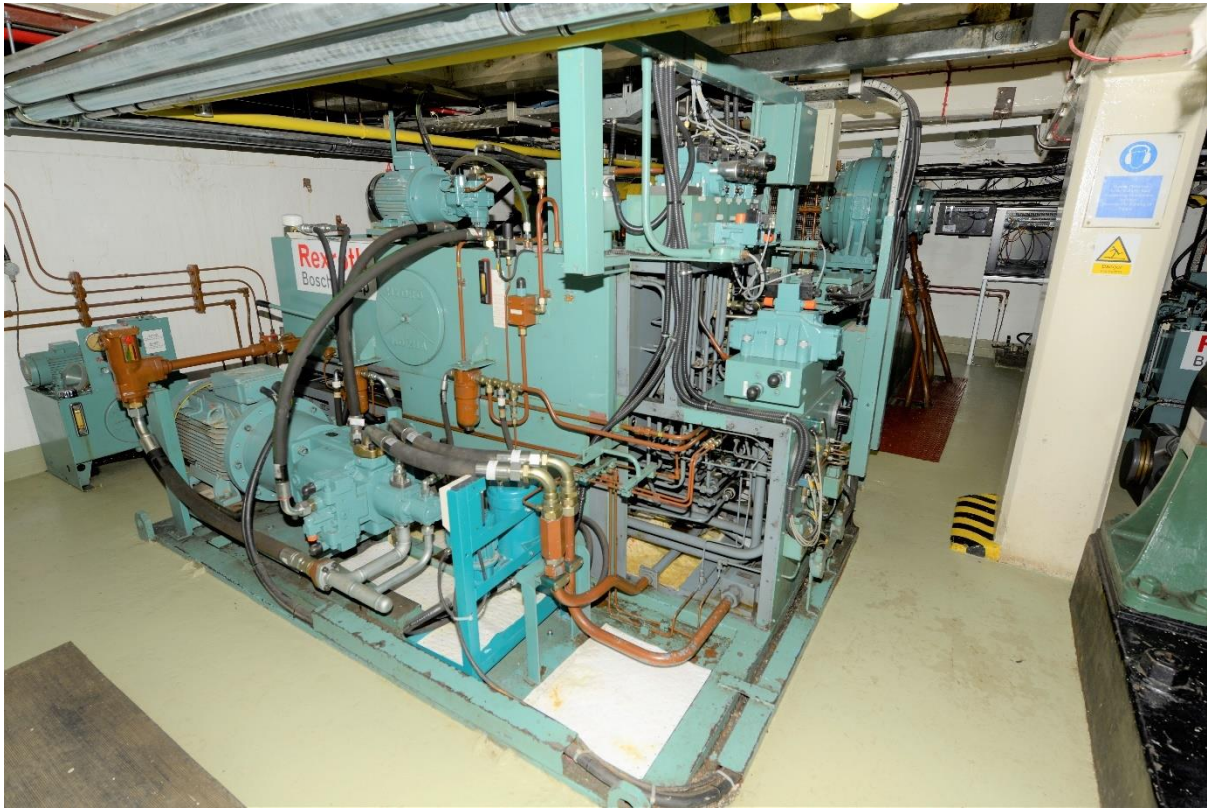
**Total anticipated on-going commitment post-delivery [£]:** Ongoing planned maintenance as provided by the Bridge House Estates Trust 50 Year Repairs and Maintenance Fund.

**Programme Affiliation [£]: N/A**



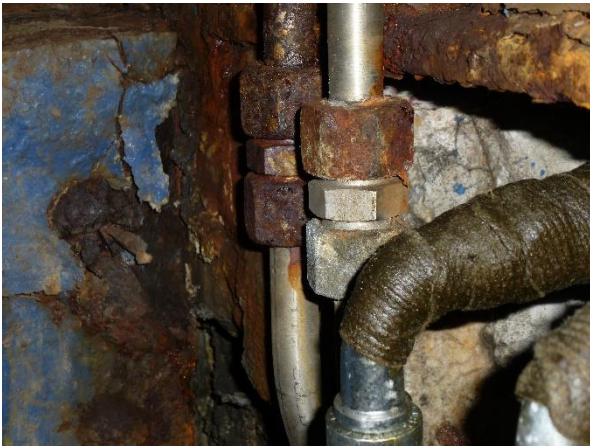
**OLD SYSTEM**

**Hydraulic Power Unit (HPU)**



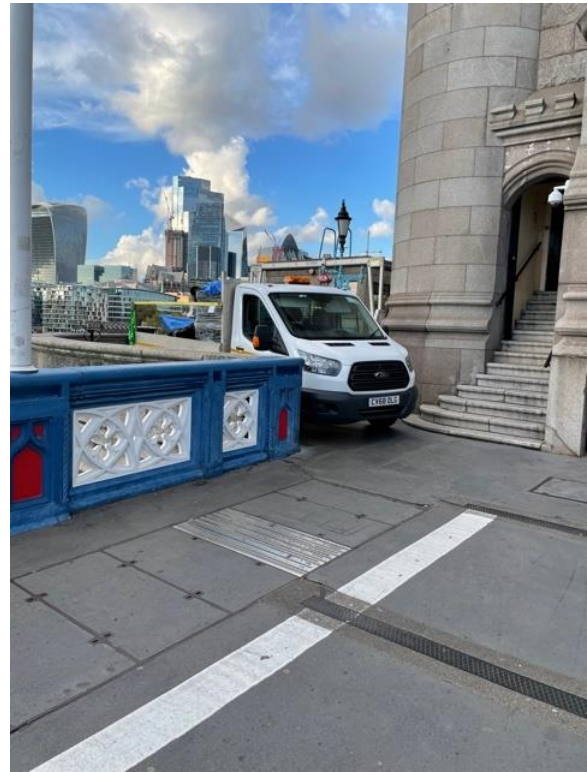


**Degraded and 'weeping' fittings/ joints/ pipework**



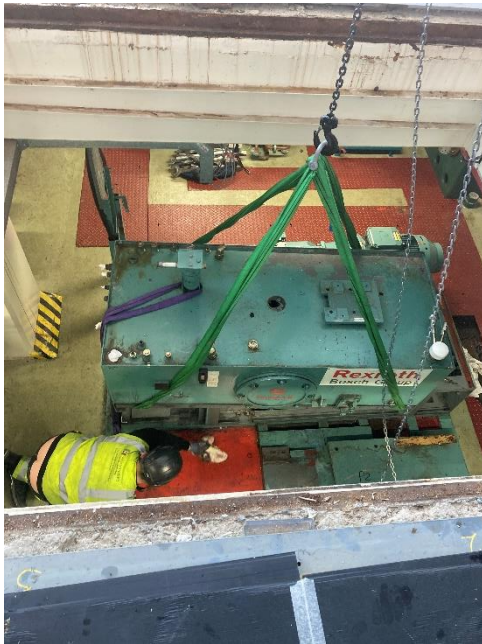


**Pavement Closures and Access to Machinery Room**





**Tank Removal from Machinery Room**



**NEW SYSTEM**

**Hydraulic Power Unit (HPU)**





Appendix 2



**New Stainless Steel Pipework (Metric sizes)**



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Committee	Date
Bridge House Estates Board	27 April 2022
<b>Subject:</b> BHE Bridges Lighting Policy	<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>	No
<b>Report of:</b> David Farnsworth, Managing Director of Bridge House Estates	<b>For decision</b>
<b>Report Author:</b> Chris Earlie, Director of Tower Bridge; Milly Ehren, BHE Head of Strategy & Governance; Ian Hughes, Director, City Operations.	

## Summary

This report presents to the Bridge House Estates Board (“the BHE Board”/ “the Board”) a Bridge Lighting Policy to be considered and agreed in the best interests of Bridge House Estates (“BHE”). The Bridge Lighting Policy sets out guidelines and a process to follow regarding requests to use the lighting system on the five Thames Bridges in support of third-party initiatives, anniversaries and events of national significance.

Following several recent requests to illuminate the bridges, particularly Tower Bridge, the BHE Board asked for officers to formally produce a new BHE Bridges Lighting Policy (“the Policy”) to be presented to the Board for consideration. The Policy incorporates formerly established criteria for considering such requests at Tower Bridge, with additional criteria included to cover the other four bridges and to meet the requirements of the Charity Commission’s ‘Campaigning and Political Activity guidance for Charities’ (CC9)<sup>1</sup>. The Bridges Lighting Policy also reflects the change of governance arrangements for the bridges, with responsibility for the management of the charity’s functional and operational assets (the five Thames Bridges) now vested in the BHE Board (unless where matters are reserved to the Court of Common Council).

## Recommendation

It is recommended that the Bridge House Estates Board, in the 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. Consider and, subject to any comments being incorporated, approve the BHE Bridge Lighting Policy at **Appendix 1**.

## Main Report

### Background

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<sup>1</sup>The Charity Commission Guidance can be accessed online via this link - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/610137/CC9.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/610137/CC9.pdf)



1. The City of London Corporation (“City Corporation”), acting as Trustee of BHE, has a history of lighting the five Thames Bridges on occasions (most frequently, Tower Bridge), either at the request of internal stakeholders or external organisations to support third-party initiatives, anniversaries and events of national significance.

### Tower Bridge

2. In the lead-up to the 2012 London Olympics, a deal was brokered by the Mayor of London between the City of London Corporation (City Corporation) and commercial lighting sponsors (GE and EDF) to design and install an artistic colour lighting system for Tower Bridge, with specific reference to its participation in the opening and closing ceremonies and other celebratory events related to the Games. This was intended to remain as a legacy lighting system for Tower Bridge ‘for the next 25 years’, with the positive development of energy-efficient LED technology. A nightly ‘clean’ white lighting scheme has been in place since, which highlights Tower Bridge’s key architectural features. Since 2012, however, the global profile of the Bridge and the relatively recent trend of lighting global landmarks in support of third-party endeavours has seen high volumes of requests to light Tower Bridge.
3. Externally received requests have been varied in type over the years, including (but not limited to) commercial organisations regarding product/ service launches, charitable organisations and members of the public seeking to promote awareness day/s initiatives, and embassies/High Commissions regarding national (non-UK) anniversaries. The frequency of requests has varied over recent years, with such requests received almost daily in 2018, and currently Tower Bridge receives on average one request per week.
4. Given the significant increase in requests following the London Olympics, an outline criteria and standard response was agreed between the previous Culture Chair (that Committee previously being responsible for Tower Bridge), the Remembrancer’s Office and the Director of Communications on behalf of the Town Clerk’s Department in the latter half of 2012. Considerations in reaching this position included reputational concerns regarding the City Corporation showing preference to one organisation or cause over another, and also in the context of lighting Tower Bridge potentially losing its perceived value if overused.
5. The criteria and standard text below have since been maintained for Tower Bridge to ensure consistency of response without prejudice. This position is generally well-received and understood by enquirers.
6. Criteria and standard text for Tower Bridge- *‘The City of London is unable to respond positively to requests regarding the use of the external structure of Tower Bridge, including its lighting system, for the promotion of third-party initiatives, anniversaries, awareness campaigns or other endeavours, whether commercial, charitable or otherwise. High volumes of requests are received regularly here at the Bridge, and this response is provided to all without prejudice. The only uses of the Bridge’s lighting system in this way have followed requests received directly from Central Government or the Mayor’s office regarding events of immediate national or international importance (in solidarity following international incidents, in recognition of the Grenfell disaster and in solidarity with the NHS during the Covid-19 pandemic).’*

7. Per the standard response above, exceptions which have been facilitated within the last decade include Tower Bridge being lit blue in solidarity with the NHS during the COVID-19 Pandemic in 2020, blue and pink in 2018 and 2015 respectively for Royal Births, green in recognition of the Grenfell Tower Fire in 2017, and in the colour of the French and Belgian flags following terror attacks in 2015 and 2016 respectively (in the context of the heightened risk to London at the relevant time). In each instance, the instruction to light Tower Bridge was given directly from the Town Clerk following requests from the Mayor of London or Central Government. Since 2007, Tower Bridge has also participated annually in Earth Hour, a global event which sees a 'switching off' moment (as opposed to lighting a particular colour), which aligns with the City Corporation's and BHE's Climate Action Strategy. This applies to the Bridge's artistic lighting system only, with street and river navigational lighting remaining active and unchanged. Southwark Bridge was also lit in a pulsing white light to mark its 100<sup>th</sup> anniversary in 2021.
8. It is worth noting that although still functional, the artistic lighting system at Tower Bridge has limited technical capabilities for displaying multiple colours simultaneously and is subject to frequent remedial works. The system's regular repair and maintenance is a key consideration and there is also a cost to the charity each time there is a deviation from the current scheme and the need for planning consent by the relevant authorities. This cost can range in each instance between £300 in officer time (where a single colour is displayed) and £1,500 where multiple colours and professional lighting designer programming is required.
9. A scoping exercise is currently underway to consider options for fully replacing Tower Bridge's artistic lighting system, in line with new technologies and the charity's climate ambitions as outlined in the Climate Action Strategy. Due to Illuminated River project funding (BHE provided a £500,000 funding contribution for the project but specifically for London Bridge) Tower Bridge was not included within the current iteration of the Thames Bridges' artistic scheme, as completed by the Illuminated River Foundation last year (see below). A number of options will be presented to the BHE Board within the upcoming financial year which are likely to range from a system which allows the potential for inclusion in the Illuminated River scheme to a fully stand-alone setup.
10. In terms of artistic lighting, an important consideration remains that Tower Bridge is less of a 'blank canvas' than other BHE bridges in terms of its detailed architecture and features.

#### London, Southwark, Blackfriars and Millennium Bridges – The Illuminated River Project

11. The Illuminated River Project is a public art initiative intended to create a new integrated lighting masterplan for the various Thames bridges in Central London between Albert and Tower Bridges. It sought to transform and enliven Central London's riverside & crossings by using the bridges as canvases for light. Taken together, the illuminated structures are intended to create a unified and inspirational ribbon of light, transforming the Thames into a visual and vibrant visitor attraction after dark which celebrates one of London's most recognisable features.

12. The City Corporation's involvement began in 2015 when the then Deputy Mayor for London approached the Chairman of Policy & Resources seeking support for the Project. The City Corporation's participation received positive Member endorsement at the time, subject to the necessary consents and agreements being sought from the appropriate planning, highway and river authorities
13. In 2018 prior to the establishment of this Board, the Planning & Transportation Committee on behalf of BHE approved for BHE's five bridges to become part of the Project and, separate to granting planning and listed building consent as Planning Authority, that Committee resolved that it was in the best interests of the charity for the bridges to become part of the project. In doing so, it considered the operational, logistical and legacy aspects of the scheme, including installation, handover and control between the City Corporation and the charity established to manage the project, namely the Illuminated River Foundation (IRF).
14. The IRF estimated that a sum in the region of £20m would be needed (mainly from private and philanthropic sources) to realise the project, and a contribution of £500k from BHE's existing bridge maintenance budget was identified that could support delivery of the first phase of the project, specifically linked to London Bridge.
15. The IRF selected an innovative design team including American light artist Leo Villareal and renowned British architects & urban planners, Liftschultz Davidson Sandilands, to realise their vision, and to this point, nine bridges in total have been lit on this basis. Five of those bridges are within the Square Mile (London, Southwark, Cannon Rail, Millennium and Blackfriars), four of which are the responsibility of BHE (i.e., excluding Cannon Rail Bridge which is the responsibility of Network Rail).
16. Tower Bridge had been expected to be part of this scheme by Spring 2023, but due to Covid and the fundamental shift in the nature of philanthropic funding during this period, the IRF have now paused the project, leaving the City Corporation and BHE itself to review its own options for relighting Tower Bridge as noted above.
17. The Heads of Terms approved by the Planning & Transportation Committee (and the subsequent legal agreement between the City Corporation and the IRF) detailed several key points relevant to this report, namely:
  - a. The equipment will be maintained by the City Corporation (as trustee of BHE) on behalf of the IRF, and will become the property of the City Corporation (as trustee of BHE) after ten years;
  - b. The IRF will fund any net additional maintenance & energy costs of the bridges as a result of the installation (if any);
  - c. The City Corporation will collaborate with the IRF, other bridge owners and the artist to co-ordinate management & oversight of the project through a 'Legacy Group';
  - d. Collateral warranties, indemnities & a royalty free licence for the artwork will be provided by the IRF, their contractor & the artist to the City Corporation;
  - e. The Agreement does not fetter the discretion of the City Corporation in the exercise of its highway, planning or local authority functions, and is entered into by the City Corporation in its capacity as trustee of BHE



18. Officers of the Environment Department continue to work closely with the IRF, GLA and the other bridge owners (Network Rail, Transport for London and Westminster City Council) through the Legacy Group to coordinate their management of the lighting installations. However, in anticipation of approaches being made to change this new lighting, similar guidance to Tower Bridge was adopted alongside the first bridge 'switch on' in July 2019, namely:
- a. The lighting should not be used as advertising, to endorse a product or company, or for commercial gain.
  - b. It should not normally be used to promote campaigns of one organisation, whether commercial or charitable.
  - c. It should not be detrimental to the bridge(s), its reputation, structure, traffic or safety.
  - d. Exceptions could include the promotion of events of London, UK or international importance, typically with support from the UK Government or Mayor's office.
19. Crucially, the agreement between the IRF and the artist specifies that a maximum of five substitute displays can be made per year, one of which could be dynamic in nature i.e., more than just a change to a simple colour scheme. In practice, given the cost and timescale involved in making more complex changes to the lighting software, only one such dynamic scheme has been implemented (for the 2019 Lord Mayor's Show – the cost for this was met by City's Cash, so costs did not fall to BHE).
20. All other uses, such as those to mark the Grenfell Tower fire, NHS during Covid and New Year's Eve have involved simple colour schemes, implemented by agreement using the IRF's contractors. The costs associated with making these changes have been relatively low and therefore absorbed by BHE, albeit the option remains to recharge these costs to those making such requests.
21. To summarise, these guidelines were implemented to balance the need to retain the integrity of the artistic design, protect the iconic status of each bridge and allow the lighting installation to be a resource to promote London and the UK. They would appear to have been effective since they were introduced, and similar to Tower Bridge, this has allowed officers to allow BHE to act in support of key high-profile events directly linked to London, and BHE's purposes, whilst deflecting approaches to change the lighting for the benefit of commercial enterprises or single charitable promotions.
22. As with Tower Bridge, given the establishment of this Board and the revised governance & oversight of BHE's functions, it is appropriate to validate and / or re-examine this position. Setting aside the respective agreements between the IRF, their contractors and the artist, all parties to this point have sought to minimise the use of the lighting for alternative uses, aligned with BHE's approach for lighting Tower Bridge.

## Current Position

23. Following the creation of the BHE Board in April 2021, and the recent establishment of a new BHE Leadership Team in January 2022, it was considered by the Board and by officers an appropriate time to reconsider a policy for lighting the Bridges.
24. There have also been recent requests to light Tower Bridge which seemingly met the current criteria in place (set out above) but were considered to be highly political, against the guidance set out in the Charity Commission CC9 guidance (which is based on a mixture of case law, charity law, and good practice) and were therefore declined as they were deemed not to be in the best interests of BHE. An important consideration for the BHE Board, acting upon behalf of the Trustee, is ensuring that it carries out its duties accordingly with regard to the Bridges not being used in support of a political matter unless the issue directly links to its purpose.
25. Accordingly, a new BHE Bridge Lighting Policy, which covers the lighting of all five Thames bridges, is presented at **Appendix 1** for the Board to consider and agree. The Policy aims to establish a clear position on lighting requests for the Bridges going forward, in the best interests of the charity and with reference to the considerations set out above. Subject to any small amendments being suggested by the Board today, it is recommended that the Policy is approved. If there are significant comments on the Policy, and should the Policy not be approved in its current form, it will be reviewed by officers and brought back to the Board for consideration.

## Corporate & Strategic Implications

26. Strategic implications – The BHE Bridge Lighting Policy presented in this report supports the delivery of the BHE Bridging London Strategy, and directly supports the charity's aims and goals to be a world-class bridge owner, charitable funder and responsible leader. Additionally, the proposal is also supportive of the vision set out within the City Corporation's Corporate Plan (CP) for 2018-23 and reinforces CP outcomes 5, 10 and 12. These outcomes for the City Corporation's own Corporate Plan are considered to be aligned with the outcomes which are in the best interest of BHE to support in pursuing its own strategic objectives.
27. Financial implications – There are no direct financial implications associated with agreeing the Policy. However, it should be noted that there is an operational cost to the charity each time a deviation from Tower Bridge's normal lighting scheme is sought, which varies depending on planning consent requirements, contractor lighting design and application costs, potential testing periods and officer time (as noted at paragraph 8). There is also associated costs with lighting the other bridges as part of the Illuminated River Project as highlighted at paragraph 20.
28. Resource implications – There are no direct resource implications, although managing and responding to a high volume of requests can have an impact of officer time and capacity.

29. Legal implications – In considering the Policy, the BHE Board (on behalf of the Court of Common Council, acting as the corporate trustee of BHE) should be satisfied that the policy is in the best interests of the charity and that any decisions to light the Bridges follow Charity Commission Guidance in relation to Campaigning and Political Activity, as set out in CC9.
30. Equalities implications – There are no direct equalities implications.
31. Climate implications – The use of new energy efficient lighting has ensured that the net effect of the new IRF lighting, over the old version, has been neutral.
32. Security implications – There are no direct security implications associated with authorised lighting activity on the Bridges. The BHE Board should note that the security of the Bridges should be considered in the context of authorising lighting displays in support of political causes – although these types of requests would not fall within the proposed Policy at Appendix 1.

## **Conclusion**

33. This report presents to the BHE Board a BHE Bridge Lighting Policy to be considered and, subject to any comments being incorporated, agreed for implementation effective immediately. The Policy incorporates formerly established criteria for considering such requests at Tower Bridge, with additional criteria to meet the requirements of the Charity Commission's CC9 guidance. The Policy is recommended for adoption to be in the best interests of the charity.

## **Appendices**

- Appendix 1 – BHE Bridge Lighting Policy

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# Bridge House Estates’ Bridge Lighting Policy

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**Adopted: [xxxx]**

## Introduction and Scope

1. This policy provides a list of criteria to be applied when considering requests for the artistic lighting of the external structures of the five Thames Bridges (“the Bridges”) owned, supported and maintained by the City of London Corporation (“City Corporation”) as charity trustee of Bridge House Estates (“BHE”/ “the charity”) (Charity Reg. No. 1035628).
2. The policy applies to all five Thames Bridges (unless specifically stated elsewhere in the policy) – London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge.
3. The purpose of this policy is to provide a clear position on the criteria and approval process for third party requests as to lighting on and/ or of the Bridges.
4. With this policy having been agreed by the BHE Board, the Managing Director of BHE, and their delegate the BHE Chief Operating Officer, will be responsible for the interpretation, application and management of this policy for BHE, acting upon the advice of the BHE Director of Communications & Engagement, and with input from the City Remembrancer, the Comptroller & City Solicitor and the Executive Director of Communications and External Affairs.
5. This policy supersedes any former process/ policy in relation to lighting the Bridges.

## Background

6. BHE is an unincorporated charitable trust. The City Corporation, acting by the Court of Common Council, is the corporate trustee of BHE (“the Trustee”), and the charity is administered by the City Corporation in accordance with the charity’s own governing documents, and the City Corporation’s usual procedures and governance framework. As charity trustee, the City Corporation has a legal obligation to always act in the best interests of BHE.
7. The primary object of BHE is to maintain and support five bridges crossing the River Thames – London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge.
8. A cy-près charity scheme of 1995 permits income surplus to that required for the bridges to be used for other charitable purposes for the general benefit of the inhabitants of Greater London (this is known as the charity’s “ancillary object”). The income surplus is distributed in accordance with a policy agreed by the Court of Common Council following consultation. The current such policy is “Bridging Divides”, delivered in the name of City Bridge Trust (CBT) – the charity’s ‘funding arm’.
9. The City Corporation has charity trustee duties in respect of the five Thames Bridges and must first and foremostly support and maintain the Bridges and seek to protect the charity’s reputation at all times, including as it relates to the Bridges. It also is considered to be consistent with the furthering of the charity’s ancillary

object that the Bridges may play an appropriate part in supporting, connecting and promoting London as a whole.

## Lighting the Bridges

10. Requests to light the Bridges are received frequently (particularly at Tower Bridge), either at the request of internal stakeholders or external organisations to support third-party initiatives, anniversaries and events of national significance.
11. Decisions on whether or not to allow use need to be taken with extreme care, ensuring that it is in the best interests of the charity to do so. Each request must be considered on its own merits and agreement to one request does not set a precedent for another seemingly similar request, as each request will have its unique characteristics which need to be taken into account.
12. Having a set of criteria for assessment of requests as set out in this policy ensures that requests are considered fairly, and that an informed and reasoned decision is taken for each request.
13. This policy applies to all lighting requests on the Bridges. Activities on land outside BHE's control which may affect the appearance of the Bridges do not fall within the remit of this policy.

## Criteria

14. In assessing a request to light any of the five Bridges, the criteria below should be considered.

### Permissions

The lighting of the Bridges may be considered if it meets ALL of the permissions criteria below AND does not meet any of the criteria on the exclusions list.

- a. The request is from an organisation that is not seeking to promote its own activities (be it commercial or charitable), or that of an individual, but rather a common 'cause' or 'issue' of regional, national or international importance.
- b. The request does not include any visual representation of third-party branding or imagery.
- c. The request demonstrates that it is making a significant and demonstrable benefit to the City of London, London and/or the UK more widely.
- d. The request demonstrates that it is in no way compromising, diminishing or damaging the integrity, dignity and reputation of the Bridge, BHE or the City Corporation as trustee.
- e. The request demonstrates that there is no detriment to the physical structure of the relevant Bridge, its role as a major traffic (vehicle and pedestrian) route, or to the navigation of the River.

- f. The request demonstrates that there is no cost to BHE, or that any cost to BHE is proportionate to the promotion of its objects.
- g. The request is made in a timely manner to ensure that appropriate resources can be directed to the request.

### Exclusions

- h. The request should not be used, considered or perceived as any form of advertising space and therefore sponsor logos, products etc. should not be publicly displayed in any form of artistic lighting as this could be perceived as an endorsement from the charity or the City Corporation.
- i. The request should not be used to support the gain, commercial or otherwise, of any individual or organisation.
- j. The request should not make a public statement on social, economic and political issues unless these relate to the charitable purposes of BHE, as otherwise it could amount to campaigning by the charity outside its charitable purposes and contrary to law and good practice as set out in Charity Commission CC9 Guidance.
- k. Requests for ‘awareness days’ or ‘awareness weeks’ will not be met, because the volume of requests for such events and their reoccurring nature is considered to present a disproportionate burden to the charity – unless the request was considered to be directly advancing the charity’s primary or ancillary object.

### **Approvals**

15. Once a request is received by a third party it should be shared with the following officers for initial consideration:
- a. BHE Chief Operating Officer
  - b. BHE Director of Communications and Engagement
  - c. Director of Tower Bridge (as relevant to Tower Bridge)
  - d. Assistant Director – Engineering (Environment Department)
  - e. Director of City Operations (Environment Department)
16. The named officers above will consider the request against the criteria set out in this policy. All relevant officers must be satisfied that the use of the Bridge in each case is justifiable within these criteria. If one officer is unavailable at the time of consideration, for example they are on leave, their authorised delegator or delegate together with all other available officers mentioned above should be in agreement. Once the officers above are satisfied the request meets the requirements, it should be sent to the Managing Director of BHE for final approval (or in their absence the BHE Chief Operating Officer will normally take the decision).



17. If officers are satisfied that the criteria are met and the lighting would be in the best interests of BHE, then the request will be agreed subject to consultation with and endorsement by the Chair and Deputy Chair of the BHE Board.
18. If all named officers do not consider the criteria to be met and consider the lighting would not be in the best interests of BHE, then the request will be refused.
19. If the named officers cannot agree whether the request satisfies the criteria and is in the best interests of BHE or not, then further consultation should take place with the following City Corporation Departments: Comptroller & City Solicitor's, City Remembrancer's, the Corporate Communications and External Affairs Team, and the Town Clerk (as required). The Chair and Deputy Chair of the BHE Board should also be consulted. If, after such consultation, a unanimous view is reached, the decision will be taken to agree or refuse the request in accordance with paragraphs 16 or 17 above.
20. If agreement is still not reached, the request should be presented to the full BHE Board for consideration and agreement. The BHE Board must be satisfied on reasonable grounds that the activities meet the criteria, are in the best interests of the charity to support and that they are able to justify any BHE resources to be applied.
21. If approved by the relevant officers/ Members above, final agreement will be subject to the necessary consents being obtained.

## **Accountability and discretion**

22. This policy is intended to ensure that the process for decision-making regarding lighting requests on the bridges is transparent and fair. These guidelines and criteria are to assist that transparency and provide a framework within which decisions can be made in the best interests of BHE.
23. If, after careful consideration, and having regard to this policy, BHE is not satisfied that the request is justifiable according to the established criteria it should reject the request as set out in paragraph 17 above.

## **Monitoring**

24. The application of this policy will be monitored by the BHE Board. Any changes to the written policy will require approval from the BHE Board.

## **Applications**

25. All requests by third parties should be directed to the following email address, which is monitored on a regular basis, [BHE@cityoflondon.gov.uk](mailto:BHE@cityoflondon.gov.uk).

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	27 April 2022
<b>Subject:</b> BHE Contingency Funds Update	<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> The BHE & Charities Finance Director (representing The Chamberlain)	<b>For information</b>
<b>Report Author:</b> Sachin Shah, BHE Transformation Project Accountant	

## Summary

This report has been produced to provide the Bridge House Estates Board with an overview of the BHE Contingency balances held for 2022/23. It further provides detail of new requests being made against these balances.

Following the start of the new financial year, there have been no bids approved under urgency. A separate request is being presented at this meeting for consideration relating to:

- i) A Tower Bridge Programme Coordinator within the City Surveyors team for £43k, and
- ii) A Business Administration Apprentice to support the newly established BHE Leadership Team, for £27k.

## 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 BHE Contingency budgets for 2022/23 (para 4);
- b) Note that £70k is being requested from the Central Contingency & Apprentices Contingency Funds at Item 17 on the agenda for the Tower Bridge Programme Coordinator and the BHE Business Administration Apprentice roles.

## Main Report

### Background

1. The annual budgets prepared by departments for the activities of BHE that are within their responsibility do not hold any contingencies. The budgets directly overseen by the BHE Board include contingency funds 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. BHE's Central Contingency budget for 2022/23 is £850k, matching that provided for 2021/22.

3. In addition to the above Central Contingency, the BHE budget includes provisions of:
  - a) £50k for joint projects with the City Corporation, held to enable smooth decision making for cross-cutting City 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.
  - b) £142k to cover the salaries of four apprentice posts. Staff are requested to complete a form to apply for funding from the BHE Apprentices Contingency Fund, to be endorsed by their department Director and with final approval being made by the Managing Director of BHE.
  - c) £500k of revenue spend relating to the Charity's Climate Action Strategy (CAS). This will be funded from BHE's designated fund for the CAS of £15m, created following Court approval in March 2022.
  - d) £500k to allow for the refurbishment of premises during void periods to improve the property's energy rating and maximise the appeal and therefore the income from potential tenants. These funds will only be utilised if voids increase during the year from that within the original budget.
  - e) With current levels of UK inflation higher than in recent years, potential inflationary increases of up to 5% for all BHE operational spend amounting to £1.3m is provided for. This is consistent with the approach taken for inflationary increases to all funds across the Corporation. BHE departments will be invited to apply for funds to cover the cost of inflationary increases in their budgets later in the financial year once impacts become apparent.

### Current position

4. The uncommitted balances that are currently available for 2022/23 are set out in the table below:

<b>2022/23 Contingency Funds - uncommitted balances 27 April 2022</b>							
	Central Provision £'000	Apprentice costs £'000	Joint Projects with City Corporation £'000	Properties - refurbishment of void spaces £'000	Climate Action Strategy £'000	Inflationary increases £'000	Total £'000
<b>Contingencies:</b>							
2022/23 Provision approved	850	142	50	500	500	1,259	3,301
<b>Total Provision</b>	<b>850</b>	<b>142</b>	<b>50</b>	<b>500</b>	<b>500</b>	<b>1,259</b>	<b>3,301</b>
Pending request on Apr 22 agenda	(43)	(27)	0	0	0	0	(70)
<b>Total commitments</b>	<b>(43)</b>	<b>(27)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(70)</b>
<b>Uncommitted balances @ Apr 2022</b>	<b>807</b>	<b>115</b>	<b>50</b>	<b>500</b>	<b>500</b>	<b>1,259</b>	<b>3,231</b>

The amounts which are pending approval are detailed in **Appendix 1** of this paper.

5. Within the reports presented at this meeting, a request is being made for continuation funding for a Programme Coordinator role at Tower Bridge in addition to a Business Administration Apprentice to support the BHE Leadership team.
6. At the time of preparing this report, there are no further requests for allocations from the Contingency Funds that have been discussed.

### Corporate & Strategic Implications

7. 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*.
8. Resource implications: nil.
9. Legal implications: nil.
10. Equalities implications: nil.
11. Financial implications: The contingency funds noted within this report are an approved element of the 2022/23 budget held by BHE. Applications to utilise these funds do not therefore create additional demand from the unrestricted income reserves held by the charity.
12. Climate implications: nil
13. Security implications: nil

## **Conclusion**

14. The BHE Board are asked to note the current contingency budgets held by BHE, and to note the request at Item 17 for £70k from Contingency Funds held.

## **Sachin Shah**

BHE Transformation Project Accountant

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## APPENDIX 1 – BHE Contingency Funds 2022/23

### BHE Central Provision

Date	Approved	Description	Activity	Amount £000	Balance £000
10/03/2022		2022/23 provision			850
		<b>Total provision</b>			<b>850</b>
Pending		Tower Bridge Project Coordinator	Tower Bridge Operations	43	
		<b>Uncommitted balance</b>			<b>807</b>

### Apprentice costs provision

Date	Approved	Description	Activity	Amount £000	Balance £000
10/03/2022		2022/23 provision			142
Pending		1 x Business Administration Apprentice	BHE Admin	27	
		<b>Uncommitted balance</b>			<b>115</b>

### Joint Projects with City Corporation

Date	Approved	Description	Activity	Amount £000	Balance £000
10/03/2022		2022/23 provision			50
		<b>Uncommitted balance</b>			<b>50</b>

### Properties - refurbishment of void spaces

Date	Approved	Description	Activity	Amount £000	Balance £000
10/03/2022		2022/23 provision			500
		<b>Uncommitted balance</b>			<b>500</b>

### Climate Action Strategy

Date	Approved	Description	Activity	Amount £000	Balance £000
10/03/2022		2022/23 provision			500
		<b>Uncommitted balance</b>			<b>500</b>

### Inflationary increases

Date	Approved	Description	Activity	Amount £000	Balance £000
10/03/2022		2022/23 provision			1,259
		<b>Uncommitted balance</b>			<b>1,259</b>

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	27 April 2022
<b>Subject:</b> BHE Contingency Fund 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>Total £70k</b>
<b>What is the source of Funding?</b>	<b>BHE Contingency Funds</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>Yes</b>
<b>Report of:</b> David Farnsworth, Managing Director of BHE	<b>For decision</b>
<b>Report Author:</b> Milly Ehren, BHE Head of Strategy and Governance	

## Summary

This report seeks funding of £43k from the BHE Central Contingency Fund for the Tower Bridge Programme Coordinator and £27k from the BHE Apprentices Contingency Fund for a Business Administration Apprentice. Any future funding for non-apprentice roles beyond 2022/23 will be built into the relevant 2023/24 budgets.

## Recommendation

It is recommended that the Bridge House Estates Board, in the 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. Approve the additional funding of £43k from the BHE Central Contingency Fund for 1 x Tower Bridge Programme Coordinator (0.4 FTE) – funding from April 2022 until March 2023; and,
- ii. Approve the additional funding of £27k from the BHE Apprentices Contingency Fund for 1 x Business Administration Apprentice (1.0 FTE) – funding from July 2022 until March 2023.

## Main Report

### Background

1. In March 2022 the Court of Common Council, as part of the report on the BHE Revenue Budget for 2022/23 and Medium-Term Financial Plan, approved £850k to be held in the BHE Central Contingency Fund for 2022/23 to meet unforeseen and/or exceptional items that may be identified during the financial year. In addition to this, there is an approved £142k BHE Apprentices Contingency Fund to cover the salaries of four apprentices.
2. This report seeks a total of £70k funding from the BHE Central Contingency & Apprentices Contingency Funds to pay for the costs of the two (1.4 FTE) posts

within the charity. These roles have been identified as required to support the effective delivery of the charity's objectives and activities.

## **Proposals**

3. The business case for each role that funding is requested for is set out below at paragraphs 4 – 8. If the funding for the posts is approved for 2022/23, any future funding for these posts will be built into the relevant 2023/24 budgets.

### Tower Bridge Programme Coordinator

4. In November 2021, the BHE Board approved a contingency fund request of £14k to extend the funding for the interim role of Tower Bridge Programme Coordinator role from December 2021 until 31 March 2022. At the time, the report noted that any future funding for this role, if deemed required on a longer-term basis, would be built into the City Surveyor's 2022/23 budget. However, the funding for this role on a longer-term basis was not requested in the City Surveyor's 2022/23 local risk budget as discussions were still ongoing at the time of budget setting around the requirements of the role.
5. Since then, discussions between the City Surveyor's Department and Tower Bridge have been held to ascertain the extent and permanency of this role beyond March 2022. Resulting from the discussion, it is recommended that the role is extended for a further two years until March 2024 on a part-time basis (0.4 FTE). As such a further request for funding of £43k for this role is sought to cover costs in 2022/23. The funding for the role in 2023/24 will be included in the City Surveyor's 2023/24 local risk budget, funded by BHE.
6. The role provides oversight of the delivery of the 50-year Maintenance Plan for Tower bridge, including planned upgrade projects and coordination of stakeholder activities to reduce costs and interruptions to the bridge's operations. Since its creation in 2020 (initially funded from the BHE Strategic Review Fund), the role has already identified many synergies between projects that will result in both savings and reduced operational impact to the Bridge.

### Business Administration Apprentice

7. Funding for a full time BHE Apprentice is sought to provide additional capacity to the BHE Executive Assistant (EA) team. This extra resource will be overseen by the Head of Managing Director's office and receive on the job training, guidance and support from the wider EA team so as ensure ongoing development in the role. A review of EA provision was undertaken which assessed the existing capacity and resource of the EA team and the level of support required moving forward. The existing capacity of the EA team was deemed insufficient to cater for the newly formed BHE Leadership Team, and it was agreed that an Apprentice would add additional skills and support to enhance capacity.
8. A request of £27k is made to the BHE Apprentices Contingency Fund to fund the Business Administration Apprentice role outlined above. The request covers 9-months funding from 1 July 2022 until 31 March 2023. If funding is approved, this

allows time to run a successful recruitment campaign. Ongoing funding for the 22-month apprentice contract will continue to be provided from the Apprentice Contingency Fund. Training costs are funded from the central apprentice levy that is held by BHE's trustee, the City of London Corporation.

### **Corporate and Strategic Implications**

9. Strategic implications: The posts outlined in this report support the aims and objectives of BHE's overarching strategy, *Bridging London 2020 – 2045*. The roles will support the charity in becoming more effective and efficient in its operational delivery.
10. Resource implications: Funding is requested to support two posts – 1 x Tower Bridge Programme Coordinator (0.4 FTE) and 1 x Business Administration Apprentice (1.0 FTE).
11. Legal implications: nil.
12. 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.
13. Financial implications: A total budget uplift for 2022/23 of £70k for staffing to be approved, funded from the BHE Central Contingency & Apprentices Contingency Funds. Any future funding for non-apprentice roles beyond 2022/23 will be built into the relevant budgets for 2023/24.
14. Climate implications: nil.
15. Security implications: nil.

### **Conclusion**

16. This report requests a total of £70k from the BHE Central Contingency (£43k) & Apprentices Contingency Funds (£27k) to pay for the costs of the two posts in 2022/23. These roles are considered to be in the best interests of BHE to support, as they will help ensure the effective and efficient delivery of the charity's operations.

### **Milly Ehren**

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<b>Committee(s):</b> Policy and Resources Committee Bridge House Estates Board	<b>Date(s):</b> Delegated 27 April 2022
<b>Subject:</b> Capital Funding Update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</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>	£7.812m
<b>What is the source of Funding?</b>	£5.770m from City Fund Reserves, £1.841m from City's Cash reserves and £201k from BHE Unrestricted Income Fund.
<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, 2021/22 and 2022/23 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, Members 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 to seek agreement to the release of funding (following gateway approvals) to allow schemes to progress.

The approved annual capital bids for 2020/21 currently total £84.1m of which draw-downs of £31.3m have been approved 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 £83m of which draw-downs of £9.7m have been agreed. A schedule of the current 2021/22 allocations is included in Appendix 2 for information.

The recently approved annual capital bids for 2022/23 total £26.2m which became available with effect from 1<sup>st</sup> April 2022.

Release of £7.813m to allow progression of the nine schemes summarised in Table 1 (para. 9) is now proposed. Funding for these schemes can be met from the provisions set aside from the reserves of the three main funds via the annual capital bids: £250k from CIL, £2.3m from the On Street Parking Reserve (OSPR) and £3.22m from general/capital reserves (all City Fund), plus £1.842m from City's Cash general reserves and £201k from the Bridge House Estates Unrestricted Income Fund.

### **Recommendations**

Policy and Resources Committee Members are requested -

- (i) 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
- (ii) To agree the release of up to £7.612m for the schemes in Table 1 from the reserves of City Fund (£5.770m) and City's Cash (£1.842m) as appropriate, subject to the required gateway approvals.

Bridge House Estates (BHE) Board Members are requested –

- (iii) To agree a contribution of £201k towards the cost of progressing the Guildhall Cooling Plant Replacement project, to be met from the provision set aside from the Unrestricted Income Fund.

### **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 is asked to confirm that these schemes remain a priority for which funding should be released at this time.

### **Current Position**

5. From the 2020/21 bid round, central funding of £84.1m is currently allocated for new capital bids across the three main funds. To date, £31.3m has been drawn down to allow 36 of these schemes to be progressed. A schedule of the current 2020/21 allocations is included in Appendix 1 for information.
6. Central funding of a further £83m across the three main funds for the 2021/22 new bids is currently allocated, of which drawdowns of £9.7m has been approved in respect of 16 schemes. A schedule of the 2021/22 allocations is included in Appendix 2 for information.
7. Central Funding of £26.2m has recently been agreed for the 2022/23 new bids, with funding available from 1<sup>st</sup> April 2022. A schedule of the 2022/23 allocations is included in Appendix 3 for information.
8. In addition, there a small number of ongoing schemes for which funding was allocated as part of the Fundamental Review.

### **Proposals**

#### Current Requests for the Release of Funding

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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.

9. There are nine schemes with 'in principle' funding approved as part of the capital bids that have progressed through the gateways, for which release of £7.813m is now requested as summarised in Table 1:

<b>Table 1: Project Funding Requests</b>		Next Gateway	Capital Bid Round	City Fund	City's Cash	Bridge House Estates	Total
				£m	£m	£m	£m
<b>Funding to progress to the next gateway</b>							
	Guildhall School and Barbican Centre - Ventilation, heating, cooling and mechanical controls	G3/4	2021/22	0.024	0.200		0.224
	Hampstead Heath Swimming Facilities - Safety, Access and Security Improvements	G3/4	2021/22	-	0.079	-	0.079
	St Paul's Gyratory	G3	2022/23	0.556			0.556
*	St Paul's Cathedral External Lighting	G4	2022/23	0.250	-	-	0.250
<b>Full Funding for Scheme Implementation</b>							
	Assessment Centre for Rough Sleepers - top-up funding	G5	2020/21	0.106			0.106
	Guildhall Cooling Plant Replacement	G4c	2020/21	2.280	1.563	0.201	4.044
**	BEMS Phase 1 Stage 2 (LMA and Walbrook Wharf)		2020/21	0.254			0.254
***	Climate Action Strategy – Year 2 Cool Streets and Greening Programme	G5	2021/22	1.600	-	-	1.600
***	Bank Junction Improvements (All Change at Bank) - top-up funding	G6	2022/23	0.700	-	-	0.700
<b>Total Requested Release of Funding</b>				<b>5.770</b>	<b>1.842</b>	<b>0.201</b>	<b>7.813</b>
*	Funding from CIL						
**	BEMS = Building Energy Management Systems						
***	Funding from On- Street Parking Reserve						

Further details of the individual schemes are provided in Appendix 4 attached.

10. 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.
11. Funding for these schemes can be met from the provisions set aside from the reserves of the three main funds via the three years of capital bids: £250k from CIL, £2.3m from the On Street Parking Reserve and £3.22m from capital reserves (all City Fund), plus £1.842m from City's Cash general reserves and £201k from the Bridge House Estates Unrestricted Income Fund.

## Conclusion

12. The purpose of this report is to agree the release of funding for projects progressing through the gateways.
13. Requests for the release of £7.813m to allow nine schemes to progress are set out in Table 1 (refer to paragraph 2 and appendix 4).
14. 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 as part of the last three years of capital bids: £250k from CIL, £2.3m from the On Street Parking Reserve and £3.22m from City Fund general reserves,



plus £1.842m from City's Cash Reserves and £201k from the Bridge Houses Estates Unrestricted Income Fund.

### **Appendices**

- Appendix 1– 2020/21 Approved Bids
- Appendix 2 - 2021/22 Approved Bids
- Appendix 3 – 2022/23 Approved Bids
- Appendix 4 – 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)

Capital Funding – Prioritisation of 2022/23 Annual Capital Bids – Stage 2 Final Proposals

### **Dianne Merrifield**

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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	0.626	0.626	-
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	0.389	4.044
Guildhall event spaces - Audio & Visual replacement / upgrade	-	0.330	-	0.330	0.330	0.045	-
Guildhall Yard - Refurbishment/ Replacement of Pavours	-	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	0.106
Rough Sleeping High Support Hostel - Option 3	0.500	-	-	0.500	0.500	0.500	-
Secure City Programme	15.852	-	-	15.852	15.852	7.174	-
<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	0.268	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>84.060</b>	<b>31.266</b>	<b>4.150</b>

Previous Funding Allocation	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
****Reallocation of £0.229m to 2021/22 scheme (BEMS Phase 1)	- 0.229
*****£0.246m of central funding no longer required and returned to the centre	- 0.246
*****Reallocation of £0.374k to fund cost increase on Walbrook Wharf M&E project	- 0.374
	84.060

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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	0.120		
SVY - BEMS Upgrade Project-CPG Estate – Phase 1***	0.507	0.375	0.022	0.904	1.133	0.332	0.254	
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		0.024	
<b>High Profile Policy Initiative</b>								
DBE - Secure City Programme Year 2	4.739			4.739	4.739	1.700		
SVY - Guildhall Complex Masterplan - initial feasibility and design work		0.350		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	0.050		
OSD - Hampstead Heath Swimming Facilities - Safety, Access and Security Improvements		0.755		0.755	0.755	0.064	0.079	
DBE - Public Realm Security Programme	1.238			1.238	1.238	0.027		
DBE - Beech Street Transportation and Public Realm project (Top-Up Bid)	0.900			0.900	0.900	0.191		
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	0.110		
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		0.200	
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>40.189</b>	<b>5.405</b>	<b>0.557</b>	
<b>Climate Action :</b>								
DBE - Public Realm (Pedestrian Priority)	6.050			6.050	6.050	2.454		
OSD - Climate Action Strategy		2.120		2.120	2.120	0.795		
DBE - Embed climate resilience measures into Public Realm works (Cool Streets and Greening)	6.800			6.800	6.800	0.980	1.600	
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	0.109		
<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>4.338</b>	<b>1.600</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>83.009</b>	<b>9.743</b>	<b>2.157</b>	

<u>Previous Funding Allocation</u>	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
*** £0.229 reallocated from savings on Energy Reduction Programme (2020/21 bid)	0.229
Latest Funding Allocation	83.009

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## Appendix 3

Approved Bids 2022/23				THIS REPORT	
Project Name	City Fund £'m	City's Cash £'m	BHE £'m	Total Funding Allocation £'m	Release of Funding now requested
<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	0.700
IT - HR System Portal required in advance of the new ERP system delivery	0.160	0.073	0.017	0.250	
Walbrook Wharf Feasibility - 2027 and beyond	0.150	-	-	0.150	
St Paul's Gyratory - Design Development	0.556	-	-	0.556	0.556
St Paul's Cathedral External Re-lighting	1.160	-	-	1.160	0.250
<b>Total Green Funding Bids</b>	<b>17.007</b>	<b>9.044</b>	<b>0.115</b>	<b>26.166</b>	<b>1.506</b>

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### Requests for Release of Funding – Scheme Details

The following provides details of the nine schemes for which approval to release central funding of up to £7.813m is now sought, as summarised in Table 1 of the main report.

- (i) Guildhall School and Barbican Centre – Ventilation, Heating, Cooling and Mechanical controls – release of £224k to progress the scheme
  - Three Guildhall School projects (at Silk Street, Milton Court venue areas and John Hosier Annex practice rooms) and one Barbican Centre project (catering areas) relating to replacement and improvement of ventilation, heating and cooling and mechanical controls are to be combined due to their similarities.
  - The ‘in principle’ funding from central reserves of City’s Cash (re Guildhall School) and City Fund (re Barbican) was agreed as part of the 2021/22 annual bids to replace end-of-life infrastructure and make them compliant with current health and safety requirements.
  - The request is for the release of £224k for consultancy and surveys to progress the scheme.
  
- (ii) Hampstead Heath Swimming Facilities – release of a further £79k to progress the scheme
  - This project is to deliver safety, access and security improvements at the Hampstead ponds.
  - The ‘in principle’ central funding from City’s Cash reserves was approved as part of the 2021/22 capital bids on health and safety grounds.
  - This request is to provide a £79k top-up to the previously approved draw-down of £64k to undertake a detailed option appraisal.
  
- (iii) St Paul’s Gyrotory – release of up to £556k to develop concept designs
  - This aim of this project is to transform the streets and public realm on the gyrotory system between the Museum of London Rotunda and St Paul’s Underground station.
  - The ‘in principle’ central funding from City Fund reserves (OSPR) was agreed as part of the 2022/23 annual capital bids, to provide consultancy and staff resources to develop concept designs and inform the future central funding requirement.
  - Approval of this bid capital bid was conditional on the funding model for DBE project managers being looked at so that a sustainable, fair and effective way of allocating time and costs to projects be developed as a matter of urgency. The outline principles for this review are in place but the detail needs to wait until the TOM is completed. Consequently, there is an expectation that the staff cost element of this bid is at the upper end and the actual amount to be drawn down will reduce.
  - This request is for approval to draw down an amount *up to* £556k to take the project to the next decision point, subject to the approval of the relevant gateway report under delegated authority and also subject to the outcome of the above review.

(iv) St Paul's Cathedral External Lighting – release of £250k to progress the scheme

- This project is for the replacement of the external lighting to St Paul's Cathedral. Under an informal arrangement, the City has historically maintained the existing lighting system which has now reached end of life. Following replacement, the Cathedral will assume responsibility for maintenance going forward.
- The total estimated cost of the scheme is £2.075m, of which £840k is to be funded through S106 and contributions from third parties and £75k is historic spend. The balance of £1.16m to be met from central City Fund reserves (CIL) was agreed 'in principle' as part of the 2022/23 capital bids.
- This request is for the release of £250k for fees and staff costs to take the project to the next gateway.

(v) Assessment Centre for Rough Sleepers – top-up funding of £106k to implement the scheme

- This project is to undertake conversion and refurbishment of premises to establish an assessment centre for rough sleepers.
- 'In principle' central funding of up to £1m from City Fund reserves was agreed as part of the 2020/21 capital bids for the delivery of this high priority strategy to address rough sleeping in the City.
- The cost of the scheme, at £1.003m has risen considerably since the last gateway, due to scope changes (unforeseen roof repairs and carbon zero targets) and an increase in anticipated fees and surveys. Funding of £109k for the carbon zero work falls within the remit of the Climate Action Strategy capital budget and has been approved under delegated authority. The remaining shortfall of £106k is now requested as a further draw-down against the capital bid allocation to enable the implementation of the project, subject to the approval of the Gateway 5 report under Chief Officer delegated authority.

(vi) Guildhall Cooling Plant Replacement - release of £4.044m to deliver the scheme

- The aim of 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 beneficial way.
- 'In principle' central funding of up to £4.433m from the reserves of the three main funds has been agreed as part of the 2020/21 annual capital bids process to replace the end-of life infrastructure.
- The proposal is for the release of the remaining funding of £4.044m to deliver the scheme, subject to the approval of the Gateway 4c and Gateway 5 reports under delegated authority.
- The £4.044m includes a contribution of £201k from Bridge House Estates, which requires the separate approval of the Bridge House Board.
- Note that the value for money issues that may arise from the progression of the current design option will be further considered by Members when the project reaches gateway 5, given the complex interactions with the wider Guildhall Major Refurbishment proposals.

(vii) BEMS Phase 1 Stage 2 (Walbrook Wharf and LMA) - release of up to £254k to deliver the scheme

- The aim of this Phase 1 project is to replace life expired building energy management systems at the highest priority sites to ensure maximum energy efficiency. This stage 2 proposal relates to Walbrook Wharf and the LMA.
- 'In principle' central funding from City Fund reserves was approved as part of the £2021/22 annual capital bids.
- The request is for the release of up to £254k to install the new systems, subject to the relevant gateway approvals.

(viii) Climate Action Strategy – Year 2 Cool Streets and Greening - release of up to £1.6m to deliver year 2 schemes

- Cool Streets and Greening is a Climate Action Strategy programme to pilot climate resilient streets and open spaces in the Square Mile. Approval is now sought to draw-down funding to progress Year 2 schemes.
- 'In principle' central funding from City Fund central reserves (OSPR) for this programme was agreed as part of the Climate Action Strategy allocation in the 2021/22 annual capital bid round.
- Year 2 comprises two elements:
  - £750K to enable redesigns of six existing sites to incorporate installation of climate resilience measures.
  - £550-850K (depending on the number of sites identified) for the identification, design and implementation of additional sites through the Cubic Mile project in conjunction with British Geological Survey, the Heat Resilient Highways risk appraisal and Citywide Greening and Biodiversity.
- The proposal is for the release of up to £1.6m, subject to the approval of individual Gateway 5 reports for the various projects mentioned above.

(ix) Bank Junction Improvements – £0.7m top up to meet construction price increases

- This project is to improve the safety, air quality and pedestrian experience of the area around the Bank junction to reflect the historic and iconic surroundings with the appropriate sense of place.
- Central funding from the On Street Parking Reserve of up to £4m has previously been agreed for this high-profile scheme. Latest estimates indicate a potential increase in highway construction costs of up to £700k and a request for top-up funding via the 2022/23 annual capital bid process has been agreed in principle.
- This request is for approval to draw down these additional funds to allow the preferred option to be progressed.

**17/03/2022 P&R Delegated (for RASC)**

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	27 April 2022
<b>Subject:</b> Progress Update – Minimum Energy Efficiency Standards & Net Zero Carbon Action Plan for Investment Property Portfolio	<b>Public</b>
<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>N/A</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 &amp; by BHE Board on 14<sup>th</sup> July 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

The City Corporation as Trustee of Bridge House Estates (BHE) has adopted the City Corporation’s Net Zero Carbon Action Plan as being in the best interests of the charity. This report 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 Climate Action Strategy (CAS) 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 has been completed in order to manage this work and its outcomes as well as the overall CAS plan.

## Recommendations

The Bridge House Estates Board is recommended to:

- i. Note the progress made with surveys, green leases and the recruitment of resource in support of the CAS IPG project plan.
- ii. Note the intended recruitment under officer delegated authority, in accordance with the budget already approved, of Capital Project Management Resource to ensure smooth progress of a pipeline of projects to achieve Energy Performance Certificate Grade B and “Carbon Net Zero”.
- iii. Note that a request for a carry forward budget of £121,000 from the budget allocated in 2021-22 from contingency funds for the energy performance surveys due to the phased delivery approach detailed in the main report will be made.

## Background and context

1. In January 2020 the City of London Corporation (City Corporation) set out on a fast-paced, cross-City Corporation journey to develop an ambitious Climate Action Strategy (CAS). At that point, the City Corporation needed to assess the carbon footprint across both its own varied property holdings (held in its various capacities, including as Trustee of BHE), and across the Square Mile - as well as to develop a plan to achieve Net Zero by 2027 for scope 1 and 2 emissions and 2040 for scope 3 (including the Investment portfolios held by each of the Funds, including as Trustee of BHE).
2. The CAS marked the start of a new and transformative programme of action. On 8 October 2020 the CAS was adopted by the Court of Common Council for the City Corporation, as Trustee of BHE and in delivering its wider functions and activities. Fifteen costed project delivery areas have since been consolidated into ten project plans.
3. This report provides an update to your board for BHE tasks 1a, 1b, 2 and 4 of the Investment Property Group Project Plan of the Climate Action Strategy. 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.
  - **3** - Undertake green lease Memorandum of Understanding (MOU) pilot to generate a working template for portfolio roll-out
  - **4** – Design an operating plan to identify a pathway to 60% emissions reductions by 2040, identifying major milestones and investment strategy, noting that the BHE Board has adopted a more ambitious timetable with 2040 as a long-stop date.
  - **5c** – Recruitment of Sustainable Property Specialist resource to manage workflow.
  - **5d** - Recruitment of Capital Project Management resource
4. The general approach to this project includes the following:
  - **Data gathering** – including building floorplans, equipment schedules, Operating & Maintenance Manuals, 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 Minimum Energy Efficiency Standard (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 have been appointed (WSP and Currie & Brown) to carry out the work for 22 BHE buildings across two phases of work. The fee for this work is £163,726 which is funded from CAS Y1 and Y2 budgets. The first phase (3 buildings) has been surveyed and draft reports currently under review. The second phase (19 buildings) has commenced surveying with four buildings surveyed and awaiting draft reports.
7. The asset level surveys are expected to be completed by September 2022, including reports with recommendations. An operating plan with a portfolio level summary of actions required for EPC Grade B by 2030 and Net Zero by 2040 (and better) is planned for Q4. The spend to date on the surveys is circa £29k and a request will be made to carry the balance of the £150k Year 1 budget forward.
8. Part of the scope of works includes developing a metering strategy, which will follow the data gathering and site visit exercises. This is expected to comprise a report summarising metering recommendations for the portfolio.
9. As per the CAS – a Sustainable Property Specialist has been appointed in the form of seconded consultancy from Arcadis recently. They have commenced immediate activities to support the project. This is providing a significant benefit in managing this project.
10. The survey work is continuing according to the draft year 2 plan for tasks IPG-1a, 1b, 2 and 4 (see Appendix A). The year 2 plan is currently draft pending approval at the P&R Committee on 5th May 2022 and BHE board on 6th July 2022.
11. As the results of surveys become available and an operating plan is developed, Project Management resource will be required in order to develop and install the measures required for EPC Grade B and Net Zero Carbon. This is outlined as task 5c in the CAS for the Investment Property Group in implementing the CAS. Recruitment has begun in earnest to resource the Project Management need.
12. The CAS includes Capital Projects (Design) standard and Resilient Building 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 City Corporation's and BHE's physical assets.
  - Development of Buildings Resilience Action Plan.
  - Dovetailing of identified interventions into existing estates/asset strategy.
13. Work has begun on the whole life cycle carbon assessments. Etude (consultants) have completed an initial scoping study to define the scope of the assessments

based on the type, scale and stage and develop a checklist for assessments. We are currently finalising tenders for the first 5 assessments for current projects the results of which will inform the future approach.

14. The initial CO2 baseline assessment will be reviewed independently (as a priority) by a third party to ensure it is an accurate representation. As part of this, benchmarking will be undertaken against any newly available metered data.
15. Work has begun with external legal advisors Charles Russell Speechlys and the Comptroller & City Solicitor's Department in developing a template for Green Leases, to be introduced to new upcoming leases. A working group series of meetings have been scheduled and a draft is to be released in April 2022 for internal review. For existing leases, a Memorandum of Understanding (MOU) pilot is to be introduced as a pilot with interested tenants, as per task 3 of the project plan. A plan and schedule for progressing this task will be produced in Q1 2022.

### **Corporate and strategic implications**

16. Strategic implications: For BHE, this project supports the aims and objectives of its overarching strategy, Bridging London 2020-2045 specifically aim 2 – to be sustainable. 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 insofar as they are in the best interests of BHE to support:
  - 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.
17. 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.
18. Financial Implications: Following the results of this work, costs for improvement of assets to EPC Grade B will be incorporated into asset plans for BHE [which will be reported for decision in due course].
19. Resource Implications – There are no new resource implications beyond what was approved by Court on 8th October 2020. The overall budget envelope for Y1 has been confirmed by Policy and Resources (P&R) on 8th April 2021 and by the BHE Board on 14th July 2021. The original Y1 budget and action plan was approved by P&R 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 had included this in its 2021/22 budget. This report confirms the expenditure within that agreed budget, specifically recruitment of a Sustainable Property Specialist to support the CAS Programme item 5b, as highlighted in task 5c and the intention to recruit staff resource to fulfil the Project Management Role in task 5d.

20. 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 which is reflected in the BHE’s own risk register and management framework.

## **Conclusion**

21. Year 1 of the CAS NZ4 plan has proceeded as per schedule. The recruitment of Capital PM resource is essential to the continued progress of this project plan and will now be taken forward.

## **Appendices**

- Appendix 1 – IPG CAS Year 2 Programme (draft)

## **Edmund Tran**

Senior Energy Engineer, City Surveyor's Department

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<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	27 April 2022
<b>Subject:</b> Decisions Taken Under Delegated Authority or Urgency	Public
<b>Which outcomes in the BHE Bridging London 2020 – 2045 Strategy does this proposal aim to support?</b>	1, 2 and 3
<b>Does this proposal require extra revenue and/or capital spending?</b>	Yes
<b>If so, how much?</b>	£5.02m
<b>What is the source of Funding?</b>	BHE (Bridging Divides)
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	Yes
<b>Report of:</b> Town Clerk	For Information

### Summary

This report advises the BHE Board of action taken by the Town Clerk since the last meeting of the Board, in consultation with the Chair and Deputy Chair, in accordance with Standing Order Nos. 41(a) and (b).

### Recommendation

- That the BHE Board note the report.

### Main Report

#### **Delegated Authority – Funding Applications Over £500,000 [15 December 2021]**

1. At its meeting on 16 February 2022, the BHE Board approved a report of the Managing Director of BHE requesting delegated authority to consider funding applications over £500,000, the level at which BHE Board approval is required for grant funding in accordance with the Board’s terms of reference, until the next meeting of the Board, with a view to agreeing any applications of this level recommended for approval by the Grants Committee of the BHE Board at its meeting in March 2022 by the end of the financial year 2021-22.
  
2. At its meeting on 9 March 2022, the Grants Committee of the BHE Board considered and agreed to recommend four applications of £500,000 or above to the BHE Board for approval, one in respect of London Youth, and three proposals as part of the Alliance Partnerships initiative, in respect of the John Lyon’s Charity, United St. Saviour’s Charity and Trust for London respectively. The applications are therefore put to the BHE Board for consideration under the delegated authority agreed on 16 February 2022.
  
3. As the Deputy Chair of the BHE Board had a standing interest declared relating to Trust for London by virtue of being a Trustee of Trust for London, a senior Member of the BHE Board was consulted on this application alongside the Chair of the BHE Board.

#### **Action Taken**

4. The Town Clerk, in consultation with the Chair, and Deputy Chair or a senior Member of the BHE Board, agreed the following funding applications:

i. London Youth: Strategic Initiative

**APPROVED** A grant of £500,000 over five months as a one-off grant to underpin London Youth's core costs and enable its work to benefit the capital's youth organisations, for onward approval by the Bridge House Estates Board.

ii. Alliance Partnerships – John Lyon's Charity

**APPROVED** A grant of £1,020,000, as an Alliance Partnership, for onward approval by the Bridge House Estates Board, to John Lyon's Charity, registered charity no:237725, towards its Recovery Fund, providing grants to strengthen children & young people's organisations. £1m of the award is to supplement JLC's grant-making, with the additional £20,000 as a contribution towards its costs of administering these funds. The funding is to be restricted to support organisations benefitting Londoners. A payment schedule will be drawn up, allowing the funds to be paid to JLC in instalments, enabling payments to be received prior to onward grants being committed/paid.

iii. Alliance Partnerships – United St. Saviour's Charity

**APPROVED** A grant of £500,000, as an Alliance Partnership, for onward approval by the Bridge House Estates Board, to the United St Saviour's Charity (USSC), registered charity no: 1103731, towards its work supporting disadvantaged communities in London Borough of Southwark. The funding is to be restricted to support organisations benefitting Londoners. A payment schedule will be drawn up, allowing the funds to be paid to USSC in instalments, enabling payments to be received prior to onward grants being committed/paid.

iv. Alliance Partnerships – Trust for London

**APPROVED** A grant of £3.5m, as an Alliance Partnership, for onward approval by the Bridge House Estates Board, to Trust for London [charity no: 20529] for onward grantmaking as part of two funds:

- a. £2m for the Racial Justice Fund which will directly resource Black and minority-led organizations working at the intersections of racial and economic justice to address systemic policies and inequities. The funding is to be restricted to support organisations benefitting Londoners;
- b. £1.5m for the Disability Justice Fund, providing grants to strengthen the disability movement in London by supporting organisations led by Deaf and Disabled people to grow in effectiveness, power, and influence. The funding is to be restricted to support organisations benefitting Londoners.

A payment schedule will be drawn up, allowing the funds to be paid to TFL in instalments over the course of the grant commitment period and to be received prior to onward grants being committed/paid.

**Conclusion**

Background papers for Members are available from Joseph Anstee on the email address provided below.

**Joseph Anstee**

Town Clerk's Department

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