



City of London Corporation for Bridge House Estates Risk Management Protocol

(registered charity no. 1035628)

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1. Introduction

- a. The aim of this Risk Management protocol is to set out the arrangements for the effective management of risk for Bridge House Estates (BHE). BHE is an unincorporated charitable trust and a registered charity (charity no. 1035628). The City of London Corporation (City Corporation), acting by its Court of Common Council, is the corporate Trustee of BHE.
- b. This protocol sits underneath the [City Corporation's Risk Management Strategy](#), endorsed by the Audit and Risk Management Committee on 20 January 2020, and which has been adopted by the City Corporation across all of its functions, including as Trustee of BHE. The protocol applies the principles and approach set out in the City Corporation's Risk Management Strategy to managing risk within a charity setting, recognising that BHE is classified as a distinct 'institution' of the City Corporation.
- c. In addition, the protocol reflects the guidance set out in [CC26 Charities and risk management guide](#) issued by the Charity Commission (2017) and supports the Decision-making, risk and control principle outlined in the [Charity Governance Code for Larger Charities](#).
- d. The protocol acts as a communication tool to ensure that all those involved in the management of risk for BHE are aware of:
 - i. The purpose of using a formal Risk Management approach
 - ii. The risk roles and responsibilities within the risk management process
 - iii. The process that is being adopted
 - iv. The tool that is being used to record the risks/controls and report
 - v. How the process will be managed and monitored

2. Purpose

- a. Through the effective application of the risk management process this protocol supports the effective corporate governance and internal control within BHE as well as furthering the charity's primary and ancillary objects (or "charitable purposes").

The primary object of BHE is to maintain and support five bridges crossing the River Thames. A cy-près scheme of 1995 permits income surplus to that required for the bridges to be used for broader, and more general, charitable purposes within Greater London ("the ancillary object").

- b. The Bridges - The maintenance and support of five of the bridges that cross the River Thames into or by the City of London – Tower Bridge, London Bridge, Southwark Bridge, Blackfriars Bridge and Millennium Bridge – is the primary purpose of the charity. They are gateways into the City of London and require sustained investment and expert care. The charity's bridges are significant and iconic landmarks, and are integral to London's communities and culture, and its history and future.

- c. City Bridge Trust (CBT) - After the responsibilities relating to the bridges have been met, the charity can use any surplus income in a year for the provision of transport for elderly and disabled people in Greater London and for other charitable purposes for the general benefit of the inhabitants of Greater London, further to the cy-près scheme made by the Charity Commission in 1995. This scheme enables the charity to work through its charitable funding arm, CBT, to improve the lives of the inhabitants of Greater London – by working to reduce inequality and foster stronger, more resilient and thriving communities in pursuit of a London that serves everyone. CBT works collaboratively to further the charity's ancillary purposes through three key areas of activity, namely:
 - i. Grant-making;
 - ii. Social investment; and,
 - iii. Encouraging philanthropy.

3. BHE Charity Governance

- a. The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a common law corporation, is the charity trustee of BHE. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity.
- b. The Court of Common Council delegates responsibility in respect of the administration and management of the charity to a committee of the Court, the Bridge House Estates Board ("the BHE Board"), with some matters being reserved to the Court. The BHE Board has responsibility for dealing with the day-to-day management and administration of the charity's business and financial affairs, management of risk, and exercising the powers of the City Corporation as Trustee of BHE on behalf of the Court (except where expressly reserved to the Court). The BHE Board has the discretion to appoint its own sub-committees where considered necessary to support the expedient and effective discharge of the charity's business. The detailed terms of reference and committee membership can be found [here](#).
- c. Certain functions, in particular implementation of the charity's strategic policies, and operational oversight of the charity's assets and activities, are delegated to employed officers of the City Corporation to discharge for the City Corporation as Trustee. Principal responsibility and oversight for BHE (which is defined as a distinct "institution" within the City Corporation's operating framework) sits with the Managing Director of Bridge House Estates who is responsible to both the Town Clerk & Chief Executive and the BHE Board. A number of other City Corporation departments also discharge responsibilities on behalf of BHE, or otherwise support the charity.

4. Formal risk management approach & roles and responsibilities

- a. A formal management of risk approach will be taken and is set out below. The following roles and responsibilities are taken from the City Corporation's Corporate Risk Management Strategy and adapted for BHE purposes.

Officer structure

- b. **Managing Director for BHE** - The Managing Director for BHE as a Chief Officer of the City Corporation must have regard to the requirements and /or guidance issued by the Chamberlain, adhere to the City Corporation's Risk Management Policy and Strategy, and where appropriate for BHE to adhere to the Charity Commission's guidance on risk management and the Governance Code for Larger Charities. Specifically, the Managing Director for BHE is responsible for:
 - i. Demonstrating leadership and setting the tone for the application of this protocol.
 - ii. Ensuring that risk management is integrated into strategic and business planning, programme and project management and finance planning.
 - iii. Ensuring that there are appropriate management arrangements for the continuous identification, assessment, mitigation, monitoring and reporting of risk within the charity.
 - iv. Maintaining principal and operational risks on the corporate risk system and use system generated reports for management and Committee reporting purposes.
 - v. Reporting principal and operational level risks to relevant Committee(s) in accordance with the Guidance on reporting risk information to Grand Committees.
 - vi. Appointing a senior officer to act as the institution's risk co-ordinator to promote effective risk management for the charity, liaise with the Corporate Risk Manager and ensures it complies with the City Corporation's Risk Management Policy and Strategy.
 - vii. Reducing the risk of significant service disruptions by ensuring that there are appropriate and robust business continuity plans in place.
- c. **BHE Leadership Team** – The BHE Leadership Team is responsible for:
 - i. Ensuring adherence with the Risk Management protocol.
 - ii. Championing the benefits of effective risk management.
 - iii. Taking ownership for risks within their function and ensuring principal and operational risk registers are regularly discussed, reviewed, updated and escalated as appropriate
 - iv. Reporting serious incidents to the Charity Commission.
- d. **BHE Risk Coordinator** – The institution's risk co-ordinator is responsible for:
 - i. Maintaining and upkeeping the BHE risks/ actions recorded on the Pentana risk management information system.
 - ii. Supporting the leadership team in the overall maintenance of the risk framework within BHE.
- e. **Corporate Risk Manager** – The Corporate Risk Manager is responsible for:
 - i. Providing guidance on the application of the risk management process to BHE.
 - ii. Acting as the system administrator for the Pentana risk management system.

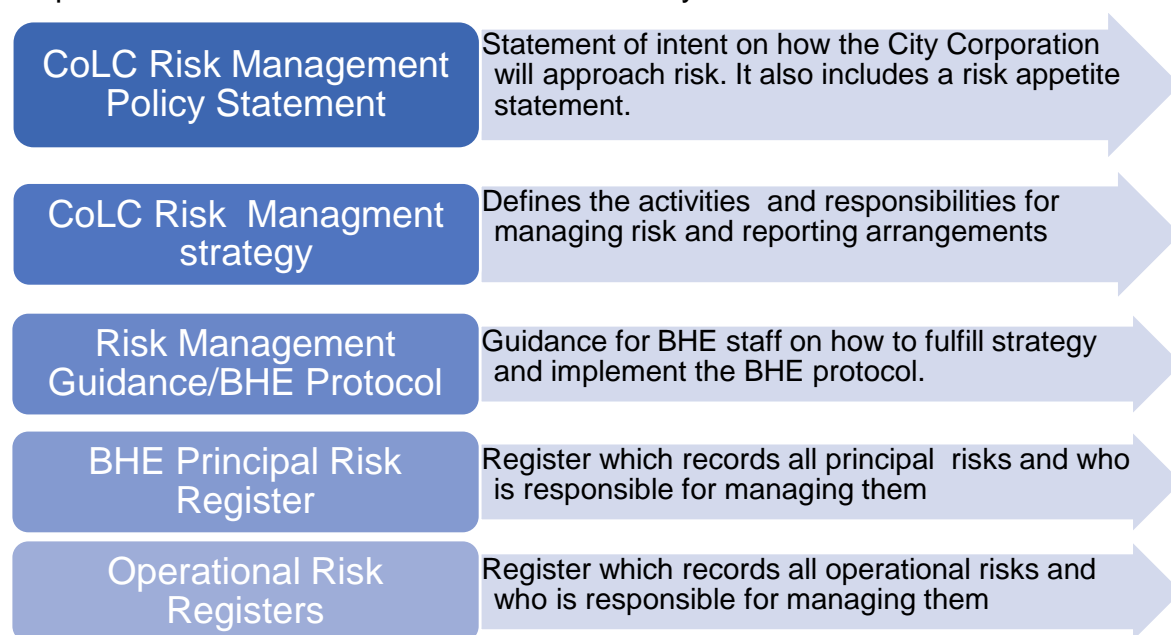
(see the Corporate Risk Management Strategy for other relevant roles)

Governance structure

- f. In terms of risk management, the BHE Board has the role of overseeing and seeking assurance that the most important risks are being effectively managed. The Board shall receive a quarterly risk update of all principal risks and all red operational risks. This will be in the form of a formal committee report as well as the detailed risk register. It may also consider risks recommended by its sub-committees, for endorsement, on to the Principal Risk Register.
- g. Sub-committees will be responsible for seeking assurance that the operational risks are being effectively managed. The sub-committees shall receive a quarterly risk update of all operational risks as relevant to their terms of reference. This will be in the form of a formal committee report as well as the detailed risk register. Sub-committees may also recommend to the BHE Board risks for escalation for inclusion on to the Principal risk register.

5. Risk process

- a. The corporate risk process (as set out in the City Corporation's Risk Management Strategy 2020) must be used for BHE risks. There are some minor differences in the language used to better reflect the relationship between the City Corporation as trustee and the charity. For example, the most important risks will be called principal (not corporate) risks whilst lower-level risks will be called operational (not departmental or service) risks. There have been some changes to the roles and responsibilities to reflect the nature of the charity.



(Table showing the risk management framework for BHE and how it connects to the corporate arrangements).

- b. A quick risk management guide is available [here](#). It also contains guidance on scoring risks. In addition there are number of risk tools that are available on [CoLNet's risk management](#) page.

6. Escalating/ de-escalating risks criteria

- a. Risks may be escalated or de-escalated from one level to another (e.g., from operational to principal level). The guidance below sets out the factors to be taken into consideration when escalation/de-escalation should occur.
- b. **Escalation** - A risk may be moved to a higher level in the organisation (escalated) for the following reasons:
 - i. The risk becomes unmanageable at current level.
 - ii. The risk is outside of the appetite boundaries.
 - iii. The risk remains very high even after control measures have been fully implemented.
 - iv. The risk impacts on more than one functional area.
 - v. The risk is directly related to a BHE charitable object (primary or ancillary).
- c. **De-escalation** – A risk may be moved to a lower level in the charity (de-escalated) for the following reasons:
 - i. The risk can be controlled and managed at a lower level.
 - ii. The risk rating has decreased significantly or is not considered to be critical to furthering BHE's primary or ancillary objects.
 - iii. The risk is below appetite boundaries
 - iv. The risk will only affect one functional area/project or programme and is better controlled locally.

7. Recording, updating and reporting risk information

- a. The Pentana risk management system will be used to record all BHE risks as well as their related actions. The system will hold standard reports available for use when reporting to Members in committee, and management at an officer level.

8. Timing of risk management activities

Action	Frequency
BHE Leadership Team to review/challenge the principal and operational risks	Every two months
Risk reports to the BHE Board	Quarterly
Approval of Risk Register	Annually

Frequency will be flexible as appropriate

For further information, please contact Paul Dudley – Corporate Risk Manager.

Protocol approved by:

Date approved: