

Committee(s)	Dated:
Bridge House Estates Board	14 th July 2021
Subject: Year 1 Plan for Climate Action	Public
Which outcomes in the BHE Bridging London 2020 – 2045 Strategy does this proposal aim to support?	2
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly (insofar as they are in the best interests of BHE to do so)?	1, 5, 7, 10, 11, 12
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	£643,000
What is the source of Funding?	£531k - Designated Sales Pool (To be determined if from the DSP held within permanent endowment funds, or that held within unrestricted income funds) £112k – Unrestricted Income funds
Report of: Caroline Al-Beyerty, The Chamberlain Damian Nussbaum, Executive Director Innovation and Growth	For Decision
Report author: Karen Atkinson, Head of Charity and Social Investment Finance Grace Rawnsley, Project Director, Climate Action, Innovation and Growth	

Summary

This paper sets out the implementation plan for the areas relating to Bridge House Estates (BHE) during Year 1 of the Climate Action Strategy (CAS) programme. It provides Members with an overview of the activity and outcomes proposed within the following delivery areas:

- Design Standards
- Resilience in Buildings
- Net Zero in Investment Property Group
- Financial Investments
- Purchased Goods and Services
- Strategic Implementation Plan

Recommendations

It is recommended that Members, in discharge of functions for the City Corporation as Trustee of Bridge House Estates (Charity no. 10345628) and solely in the charity's best interests:

- i. Note the summaries of project plans for the delivery of CAS outcomes under the areas accountable to the Bridge House Estates Board.
- ii. Agree to make a relative contribution to the mobilisation budgets in 21/22 financial year for a total of £643k in revenue funding. This is comprised of the following:
 - a. Design Standards - £55k (18% as BHE 18% of the IPG floor space)
 - b. Resilience in Buildings - £165k (18% as above)
 - c. Net Zero in Investment Property Group - £311k (18% as above)
 - d. Financial Investments - £58k (33% straight split with other two funds)
 - e. Purchased Goods and Services - £25k (5% as nominal agreement)
 - f. Strategic Implementation - £29k (6% as BHE percentage of overall Y1 budget)
- iii. Note that any specific investment decisions arising from the Y1 mobilisation work to be taken separately for all portfolios, including BHE.

Background and context

1. The Climate Action Strategy (CAS) was adopted by the Court of Common Council for the City Corporation, both as Trustee of BHE and in delivering its wider functions and activities, on the 8th of October 2020. This marked the start of a new and transformative programme of action. It set out three interlinked primary objectives for the City Corporation (including BHE) and the Square Mile:
 - to support the achievement of net-zero emissions,
 - to build resilience, and
 - to champion sustainable growth.
2. The strategy was adopted with action plans across thirteen delivery areas to collectively achieve overall targets of:
 - Net Zero in our own operations by 2027
 - Net Zero in our value chain including our investments and supply chain by 2040
 - Net Zero in the Square Mile by 2040
 - Climate resilient in our buildings, public spaces and infrastructure
3. Six of the thirteen areas relate to BHE interests. The original Y1 budget and action plan was approved by Policy and Resources on 8th April 2021 prior to new governance arrangements for BHE being in place. This report identifies the specific costs and actions relating to BHE and seeks approval for them to be formally included in BHE budgeting for 21-22 under the new governance arrangements.
4. Progress updates on all workstreams are due to service committees, the BHE Board and Policy and Resources on a quarterly basis.

Current position

5. The high-level project plans for the six areas in the year 1 programme that relate to BHE interests were approved by Policy and Resources Committee (8 April 2021). These outline the full project including the areas of the work that BHE are asked to contribute to. The project plans are available to Members upon request. A summary of each area can be found below:

- **Design standards:** Ensuring all future capital projects (refurbishments and new build) meet the highest commercially viable standards for sustainable and low carbon design. This will involve incorporating whole life cycle cost and carbon analysis, whilst accommodating for the unique and historic characteristics of the City of London and BHE assets and heritage.
- **Resilience in Buildings:** Deliver the roll out of retrofit measures for residential and non-residential properties throughout the Square Mile and for those assets that the City Corporation and BHE are responsible, ensuring they are resilient to changing weather conditions and environmental patterns.
- **Net Zero in Investment Properties:** Deliver carbon reductions and energy efficiency improvements for the Investment Property Group (IPG). A key action in the first year of the programme is to complete and begin to act on decarbonisation studies and energy audits across our IPG estate including BHE properties.
- **Financial Investments:** The scope 3 emissions associated with the City Corporation's financial investments made up 83% of the City Corporation's overall carbon footprint based on the fund profile on 31 March 2019. This project is focused on addressing and reducing those scope 3 financial emissions. In the first year of the programme, we will develop fund and portfolio level net zero targets for financial investments by September.
- **Purchased goods and services:** The purpose of this project is to develop a systematic approach to improve supplier's performance in delivering low carbon and wider sustainability products and services. This will be delivered by enhancing sub-category measurement of supplier emissions to then inform engagement, target setting and performance management to support the climate action and responsible business strategies. We are also developing supplier specific targets for purchased goods and services within the first year of the programme.
- **Strategic Implementation:** Oversee and deliver the operational and strategic implementation for the Climate Action. The Programme Team, under the direction of the SRO, is responsible for ensuring the strategy remains affordable, deliverable and impactful for its entire life cycle. A key action in the first year of the programme are to develop a performance framework and dashboard to increase transparency. We will also be implementing a stakeholder engagement plan, building climate into wider decision making, and providing ongoing support to officers and members on climate action.

Corporate and strategic implications

6. Strategic implications: The activities of the CAS support the aims and objectives of BHE's overarching strategy, Bridging London 2020 – 2045. The activities will support

the charity in becoming a world-class bridge owner, charitable funder and responsible leader.

7. The wider CAS supports delivery against the following outcomes in the Corporate Plan, 2018-23.
 - Outcome 1: People are safe and feel safe
 - Outcome 5: Businesses are trusted and socially and environmentally responsible
 - Outcome 7: We are a global hub for innovation in financial and professional services, commerce and culture
 - Outcome 10: We inspire enterprise, excellence, creativity and collaboration
 - Outcome 11: We have clean air, land and water and a thriving and sustainable natural environment
 - Outcome 12: Our spaces are secure, resilient and well-maintained.
8. The wider CAS strategy builds upon existing City Corporation 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 Transport Strategy 2018-43, the Air Quality Strategy 2015-20, the Climate Mitigation Strategy, the Carbon Descent Plan, the Transition to a Zero Emission Fleet Policy, the Renewable Electricity Policy & Sourcing Strategy and related campaigns, such as Plastic Free City. It is aligned to ongoing reviews of our financial and property investment portfolio.
9. Resource Implications – The resourcing implications are listed in detail in the recommendations.
10. Risk Implications – To manage risk effectively in the programme, all delivery areas have a risk register and the overall risks are controlled through a corporation level risk CR30 – Climate Action Strategy.
11. Equalities Implications – A Test of Relevance was undertaken on the Climate Action Strategy and several positive impacts were identified for people in at least one of the following five protected groups - age, disability, race, pregnancy/maternity and gender. No negative impacts were identified. Potential equalities impacts will be investigated and assessed on an ongoing basis.
12. No new legal or security implications arise from the recommendations in this report.

Conclusion

13. The steps outlined in this report are necessary conditions for the City Corporation and BHE to meet its target of being net zero in its value chain by 2040.

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