

Committee	Date
Bridge House Estates Board	15 September 2021
Subject: Managing Director's Update Report	Public
Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?	1, 2 and 3
Does this proposal require extra revenue and/or capital spending?	No
Report of/ report author: David Farnsworth, Managing Director of Bridge House Estates	For information

Summary

To support the BHE Board in the discharge of its duties, this regular report provides an update on key areas of activity across the whole charity since the Board's last meeting in July 2021 and outlines upcoming activities for the Board to note.

Recommendations

- i. Members are asked to note the report.

Main Report

Bridge Activity Update

1. The Engineering Team in the Department of Environment continue to progress projects and ongoing work as part of the 50-year Bridge Maintenance Plan to support the effective management of the bridges. A key area of focus over the summer has been in relation to exploring the feasibility and impact of physical alterations to the bridges to assist with the City Corporation's suicide prevention efforts. A detailed paper on Suicide Prevention in the City of London can be found later in the agenda. There are no further significant engineering updates to highlight since the last report in July 2021.

Tower Bridge

2. On 9th August 2021 Tower Bridge was locked in a raised position caused by an issue with the Bridge's automated control system, meaning its bascules could not be lowered. During extensive troubleshooting by the technical team throughout the afternoon and night, the lead controls system contractor was dialled-in remotely and attended site. The failure of the system had also caused a transformer to fail (which was replaced) and issues with the Bridge's braking system. It also caused a fire alarm activation in one of the bridge's machinery rooms, which resulted in the activation of the gas suppression system and required Fire Brigade attendance. Officers onsite worked with the control system contractor to identify the cause of the issue and rectify. A test lift was conducted in the very early hours, with the Bridge being lowered and secured at approximately 01.00, after which the road and pavements were reopened.

City Bridge Trust (CBT) Activity Update

3. Interim Bridging Divides Review implementation of recommendations - Significant progress has been made on the 11 Interim Bridging Divides Review recommendations approved by CBT Committee on 5 March 2021. These will be considered in-depth by your up-coming Grants Committee, however by way of highlights:
 - a. CBT is developing a collaborative approach with several of London's civil society anchor organisations, inviting them to a round table to share initial thoughts on shaping a CBT Anchor Partners funding programme to support them and have them help to shape our future work. The aim is to launch the programme before the end of the financial year. This approach is being informed by the work of the Cornerstone Fund and it in turn will inform the development of other approaches including Test and Discover and the development of a Framework around what should be our key areas for funding, and our Every Voice Counts grants;
 - b. The core costs conversion offer for existing funding partners has been extended for a further year after a review by Renaisi (Learning Partner). Small grants are now being made for up to five years. Following approval from the Chair and Deputy of BHE Board the Eco and Access audit and Capital grants programmes have been un-paused. The Advice and Support priority area has also been un-paused, adapted to include fuel poverty and with a specific focus on those applications which demonstrate inclusion of marginalised communities in design and delivery of services and;
 - c. Strong progress has been made to consolidate the Funder Plus and Total Assets offer, set to relaunch in September. This offer is benefitting from the creation of BHE enabling greater sharing and learning across the institution. CBT continues to work collaboratively with partners on the London Community Response, which has enabled a coordinated response to the impact on London's Afghan community and refugees of the crisis in Afghanistan. Given the fast-changing nature of this issue, a real-time verbal update will be given to the Board on the latest position.

Primary and Ancillary Objects Linked Work - Suicide Prevention

4. An area which BHE has been contributing to recently both through activities related to its primary and ancillary object is as a consultee to the City Corporation's review of the effectiveness of its Suicide Prevention Strategy and accompanying Action Plan. As owner of the five Thames bridges, BHE has been involved in the discussions and has participated fully in presenting recommendations to Members. A detailed paper on Suicide Prevention in the City of London can be found later in the agenda: It is recommended that it is in the best interests of BHE to commission a feasibility study on whether any potential physical alterations to the bridges would be an effective method of preventing suicide.

5. In addition to any potential physical changes to the bridges, BHE can also support the aims of the Suicide Prevention Plan through associated actions in furthering its ancillary object in conjunction with other stakeholders. As such, as part of the interim review of Bridging Divides, a paper will be presented to the next Grants Committee of the BHE Board outlining a proposal to increase funding through CBT to charities focused on suicide prevention activities and mental health support. BHE remains committed to working in partnership and collaborating with stakeholders to support suicide prevention activities.

BHE Finance Update

6. The first budget monitoring report, covering all activities of the charity, is presented to the Board this month. The dashboard style report previously discussed continues to be developed in collaboration with other teams within the City Corporation, with further information to be added in due course. Any feedback from Board Members is most welcome.
7. Further included within today's agenda is a request to increase the central contingency budget held by the charity, providing Members with the financial resource to enable prompt reaction to changes in the operating environment that BHE exists within. In this period of change to the governance of the charity, it should be expected that new requirements will arise as the financial year progresses – officers are keen to work with the Board to agree and embed flexible processes that enable BHE to be reactive in its approach.
8. Members should note that the contingency report for consideration today includes a budget request for survey/design fees relating to required works at Bridgemasters and Horace Jones House. The aim of this project is to address various matters within this property. At this stage it is expected that actual works would take place in 2022/23 however the relevant Gateway report may result in a bid being presented to this Board separate to the normal annual budgeting process. Further information on this is provided within the non-public section of the meeting.

BHE Investment Portfolio Update

9. Property Investments – On the investment property portfolio, the City Surveyor's Department have appointed a consultant (WSP) to undertake EPC and net zero carbon surveys for the BHE directly managed portfolio. This will inform the programme to achieve EPC B by 2030 and net zero carbon by 2040 on all directly managed buildings.
10. The Investment Property Group have agreed terms with the Royal Society for Blind Children for the short-term occupation of a room at 65 London Wall. This will reduce void costs and provide income for BHE while the room is marketed for longer term occupation.
11. A lease regear and development agreement at Millennium Bridge House, securing a premium of £5m with a further £7m to be paid during the course of the development, was reached in early August. This facilitates an exciting

redevelopment around the existing frame to extend the building to 240,000 sq ft of offices with new retail and restaurant units fronting the river and at roof level. The building is targeting a BREEAM Excellent rating on completion.

12. Financial Investments – A full report on the performance of the BHE financial investment portfolio is provided elsewhere in your papers today.
13. Social Investments – At the end of the most recent quarter (30th June 2021) the Bridge House Estates Social Investment Fund calculated a return of 3.2% IRR on £10.2m of monies drawn. The Fund has active commitments of £14.1m, divided almost 60:40 between residential property and fixed income loans
14. Members will recall that following agreement from the Chair and Deputy Chair of BHE Board new social investment placements are on hold pending completion of work on the Supplemental Royal Charter and agreement of any new social investment focus areas. Current work concentrates on portfolio management and the development of future plans.

Cross-Cutting Strategic Ambitions and Governance

15. BHE Brand positioning – The Charity & Philanthropy Communications Manager in conjunction with the BHE Strategic Review implementation team have led on a valuable research project to evaluate the current brand position of BHE and its associated teams. This project will create a coherent and compelling story and seeks to build a strengthened brand to increase engagement and impact in the future. A BHE Board Induction Session has been scheduled on this topic to engage Members in the process, and to work collaboratively with the Board to discuss and propose a plan for the future.
16. BHE Risk Register - In May 2021, the BHE Board approved a new BHE Risk Management Protocol and identified and approved eight principal risks. Officers are currently reviewing the risk register and a detailed report on all risks will be brought to the Board in November 2021 for review.

Conclusion

17. This report provides a high-level summary of activities across the whole charity to support the Board in the discharge of its duties. Further information on any of the updates given in this report can be provided to Members either verbally in the meeting or in written format as follow-up to the meeting.

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