

Committee	Date
Bridge House Estates Board	27 April 2022
Subject: Appointment of Committees: Bridge Management Committee of the Bridge House Estates Board	Public
Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?	1, 2 and 3
Report of: David Farnsworth, Managing Director of Bridge House Estates	For decision
Report Author: 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 low¹ 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.

¹ 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

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

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

E: amelia.ehren@cityoflondon.gov.uk