

Committee	Date
Bridge House Estates Board	27 April 2022
Subject: BHE Investments Working Group	Public
Which outcomes in the <i>BHE Bridging London 2020 – 2045</i> Strategy 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 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.

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