

<b>Committee:</b> Bridge House Estates Board	<b>Date:</b> 6 July 2022
<b>Subject:</b> Managing Director's Update Report	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?</b>	1, 2 and 3
<b>Report of:</b> David Farnsworth, Managing Director of BHE	<b>For Decision</b>

### Summary

To support the Bridge House Estates Board (“the BHE Board”/ “the Board”) in the discharge of its functions, this regular report provides an update on key areas of activity across the whole charity since the Board last met in April 2022 and outlines upcoming activities for the Board to note. Specifically, the report provides updates on: ongoing maintenance activities on the Bridges; the performance of the tourism offer at Tower Bridge; City Bridge Trust funding updates including developments on updating CBT’s responsive grant offer, the LocalMotion collaboration, the Anchor Programme and an update from the Environmentally Responsible Working Group on climate action matters; governance and strategy updates on the grant of the Supplemental Royal Charter and BHE’s operating model; communication updates on the BHE website and the Brand Positioning project, including a request for expressions of interest from Members to participate in brand workshops in September; finance updates including reference to the audit plan for 2021/22; and, finally updates in relation to the charity’s investment portfolios.

### 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) Endorse the approach and next steps to the Brand Positioning Project as outlined at paragraphs 27-30;
- ii) Seek expressions of interest from the Board, or nominate Members, to support with the next phase of the brand positioning project through participation in a series of workshops, as highlighted at paragraph 29; and,
- iii) Note the further contents of the report.

### Main Report

#### Bridge Updates

1. Ongoing maintenance and support of the five Thames bridges continues to progress as part of the 50-year Bridge Maintenance Plan. The BHE Board will continue to be updated on bridge engineering matters through ongoing reporting to the Board.
2. Works are continuing well on Blackfriars Bridge and more detail is provided in a further report under the ‘Primary Object’ section of the agenda. Works have now commenced on waterproofing the approach viaducts on either side of Southwark Bridge and the contractor has had a few minor problems agreeing traffic

management requirements and there have been some complaints from cyclists where the cycle lanes have been removed to comply with the Highway requirements to maintain traffic movement.

3. Tower Bridge - Tower Bridge and all BHE Bridges were specially lit in recognition of the launch of the Elizabeth Line and in celebration of the Queen's Platinum Jubilee on evenings of 23 and 24 May and from 2-5 June respectively, in line with the charity's recently implemented Bridge Lighting Policy. Tower Bridge was also the finish line location for Transport for London's 'Ride London' annual mass-participation cycling event on 29 May, for which officers worked closely with the organisers (TfL and London Marathon Events) to ensure a safe event operationally and mitigate any negative effect on the Bridge's normal business and operations.
4. The visitor attraction at Tower Bridge performed well following this year's Visit England quality assessment at 92%, which is above the defined threshold for a 'gold standard' attraction. Particular highlights were customer service and retail provision, which scored 98% and 100% respectively. The Bridge is also currently ahead of key industry bodies' predictions for continued business recovery following the pandemic, and school holidays/jubilee weekend visitor figures and a significant increase in retail spend per visitor have exceeded expectations (income for 2022/23 year to date is currently at 183% against target). Family activities, British Sign Language tours and autism-friendly early openings have seen their highest level of uptake in recent months, and the Bridge's Artist in Residence summer activity was launched earlier this month in line with Historic Royal Palaces' Superbloom event at the Tower of London.
5. Major projects continue at Tower Bridge, including the High Voltage overhaul, now in its sixth month onsite and looking towards completion in late 2022/early 2023. The Engineering Team are working closely with Tower Bridge to replace the damaged steel to the bascule and investigate the cause.

### **City Bridge Trust (CBT) Updates**

6. CBT Application and Assessment Training – At the April BHE Board meeting, the Board requested that a briefing session on CBT's grant application and assessment processes be delivered to all Board Members, including the two co-opted members on the Grants Committee. Invitations for the training have now been sent for a session just prior to the 13 September Board meeting at 10:00. The 45 minute briefing will consist of a short presentation followed by an opportunity for questions and answers.
7. Updating CBT's responsive grant offer – at its meeting in June 2022, the Grants Committee approved six recommendations relating to the final implementation of the Interim Review of Bridging Divides. Some funding streams have been consolidated under common issue headings for ease of applicant access, and six have been updated (in terms of what types of work are prioritised) by lessons learned from the pandemic. All 14 grant programmes have been reviewed and wording updated to be clearer and better reflect the vision and mission of CBT incorporating an improved focus on equity. The remaining funding stream - "Voice

and Leadership” will be reviewed later in 2022 as CBT’s Anchor Programme develops further.

8. LocalMotion – LocalMotion is a collaboration between CBT and five other funders, joining forces to tackle economic, environmental, and social inequality in six places, utilising the resources of all six funders and places to have an impact which is greater than the sum of its parts. On 6/7 June Co-opted Grants Committee member William Hoyle and Funding Director Sam Grimmatt Batt attended the bi-annual learning summit in Birmingham.
9. Anchor Programme – At its meeting in June 2022, the Grants Committee approved the allocation of up to £20m, in principle, to be committed between 2022/23 and 2024/25, towards Anchor Programme grants. The funding will provide long term funding to voluntary and community sector civil society organisations to support them to bring about systemic change to tackle the root causes of disadvantage rather than addressing the symptoms or the consequences. This funding programme has been co-designed with a selection of London’s civil society organisations, creating space for organisations to express what the fund should look like and who it should target. The proposal meets the mission of CBT to help make London’s communities stronger, more resilient and thriving. It also embodies CBT’s PACIER values of being progressive, adaptive and collaborative.
10. Environmentally Responsible Working Group (ERWG) Update - In July 2021, the BHE Board approved for BHE to become a signatory of the Funder Commitment on Climate Change, joining over 80 other funders in a community of practice. Between October 2021 and February 2022, the ERWG engaged consultants Sixty7.Green to conduct a scoping study. The brief was to identify how BHE, through its funding team CBT, could best use its unique assets to mitigate the impacts of the climate and biodiversity crisis on Londoners, and to support London’s communities in the transition to net zero. Sixty7.Green carried out interviews and focus groups with voluntary sector organisations, funders and other stakeholders, arriving at a set of recommendations. The resulting report, along with external research and data, informs the current development of an Environmental Action Plan for CBT and the review of its environmental giving. The ERWG Chairs are working with the Managing Director and the BHE Head of Strategy and Governance to discuss how the ERWG’s work on climate can join up with that of other BHE teams and further align with the charity’s Climate Action Strategy.
11. In February 2022, the ERWG submitted BHE’s first annual Funder Commitment on Climate Change reporting to the Association of Charitable Foundations. This reporting contributes to the sharing of progress and knowledge between funders in tackling the climate crisis. The report is available to Members on request.
12. Philanthropy - The Philanthropy Director has been engaged in various externally focused work this month including attendance on the Beacon Organisation’s Council, the NPC (New Philanthropy Capital) Board, the Islington Giving Board and the Lord Mayor’s Appeal Board all of which focus on increasing the quality and scale of giving. She interviewed the former Chief Executive of Barnardo’s, Javed Khan OBE, as part of a podcast series for NPC and presented at a workshop

hosted by the Deputy Mayor of London, Fiona Twycross, London Plus and the British Red Cross on the role of Civil Society supporting emergency resilience.

13. This latter piece of work underpinned the development of a funding application which is intended to go to the Grants Committee and to this Board for approval in the Autumn. The application aims to better resource Civil Society Emergency Preparedness and Response in London and is being developed in close collaboration with leading Emergency Response charities, London Plus, the GLA and other organisations. It draws closely on learning amassed through the collaborative Covid-19 response in which the Philanthropy Director and Managing Director of BHE played leading roles supporting the Funder, Voluntary, Community and Faith sector response.

### **Governance and Strategy**

14. Grant of the Supplemental Royal Charter – On 8 June 2022, Her Majesty the Queen, upon the advice of her Privy Council, approved the grant of the Supplemental Royal Charter by Order in Council at the Privy Council meeting. The grant, however, will not be formalised until the Great Seal is affixed which may take some time as the document needs to be printed and the covering page illuminated. In summary, the governance changes within the Supplemental Royal Charter are intended to:

- a. provide clarity or to remove obsolete provisions;
- b. provide greater flexibility in the application of BHE's funds, but with suitable safeguards to protect the charity's primary object, in summary, to maintain and support the five Thames bridges vested in the City Corporation as Trustee (London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge);
- c. provide more modern and flexible powers in relation to the administration of BHE, including conferring express powers to reflect statutory powers where it is not clear if they can currently be exercised by BHE or where they are unavailable to BHE; and,
- d. reflect good governance practice.

15. Officers have already begun preparations for the implementation of the new powers and will continue to report progress to the BHE Board.

16. BHE Operating Model – In January 2022, the new BHE Leadership Team structure became effective, with one final role to recruit. BHE have recently appointed Starfish, an executive search recruitment firm, to lead on the campaign for the recruitment of the Chief Funding Director. The advert for this role went live in June 2022 and the campaign will involve an extensive search, ensuring diversity, equity and inclusion (DEI) considerations are front and centre of the recruitment. Final interviews are planned for September 2022, following first stage interviews and assessments over the summer period. The final panel will include the Chair of the Grants Committee, the Managing Director of BHE, an external peer from a London grant making foundation, and a senior representative from HR. The outcome of the recruitment campaign will be reported back to the Board in due course.

## Communications Updates

17. BHE Inaugural Board Dinner – On Monday 20 June 2022, BHE held its inaugural Board Dinner on the walkways of Tower Bridge. The aim of the event was to allow BHE to share the scope and ambitions underpinned by its new structure and governance, including the various teams powering it. The dinner was an external facing event, presenting a key moment to position BHE with its stakeholders as a world-class bridge owner, charitable funder and role model for high impact and high value philanthropy. The dinner aimed to inspire partnerships and opportunities – the Chair of the Board invited guests in his speech to identify a burning issue, and taking into account the BHE ambition and audiences, think about future collaborations that they might find in the room.
18. An evaluation form has been sent to all attendees, including BHE Board Members, to assess the impact of the event and learn how we can improve for next year. Members are encouraged to respond and share their feedback. Anecdotally, the event was hailed as a success by all who attended, with several follow up meetings planned. Following the completion and analysis of the evaluation forms, a more detailed evaluation report will be compiled and presented to the Board.
19. Media Coverage - Since the last BHE Board meeting on 27 April there have been 13 press items referencing CBT and other City Corporation charitable giving. This included coverage in Ham & High about a grant for Silver Swans ballet classes for over-60s, a column by Policy Chairman Chris Hayward in City AM on volunteering and an interview with Sheriff Alison Gowman in the Financial Times.
20. BHE Website Development - The charity's website is moving into the next phase of development after nearing completion of the key wireframing and user journey mapping. The next stages will include a final iteration of the look and feel, development of an information architecture to inform the navigation, and final design and build of the site. The Communications Team will be sharing the latest iteration of the look and feel with the Board and wider BHE officers for input ahead of summer recess. This iteration will be heavily influenced by the 'Bridging London Together' campaign that was showcased at the Board Dinner. More user testing will take place over the summer, and all content will be updated in line with accessibility and search engine optimisation, delivered by a dedicated copywriter. The new website will be ready to launch in the autumn.
21. Communicating our offer with clarity - The Communications Team is nearing completion of a project to make improvements to the way the charity communicates about its funding and non-financial support offers. This collaborative piece of work has involved colleagues from across CBT and has focused on ensuring the key areas of work are fully accessible, understandable, and easily navigable to audiences. Timings have been set by the website development, but the new way of describing the existing funding programmes and wider offer will be rolled out more widely.
22. This project has been informed by extensive user feedback, including interviews, surveys, testing and workshops with real users, potential grantees and CBT officers. These insights highlighted a need for: clarity and consistency in how CBT

communicates its funding streams both internally and externally; front-loaded key information where possible; Plain English and familiar, accessible language.

23. Based on the feedback, the following changes will be implemented:
  - a. A new structural approach to communicate the different areas of work, splitting the offer by financial and non-financial support, and referring to CBT funding in 3 clear sections:
    - i. Grant funding (all available funding opportunities)
    - ii. Strengthening the sector together (strategic initiatives)
    - iii. Social impact investment (Stepping Stones Fund & Social Investment Fund)
24. Grouping grants by issue-led thematic areas, and importantly, moving away from Connecting the Capital, Positive Transitions and Advice and Support as titles, as research showed they were a barrier for organisations applying for support.
25. This work does not involve any changes to the existing funding strategy. This work will support and complement the funding strategy by giving officers the tools to communicate with clarity and ensure the CBT offer is fully accessible to all.
26. These changes will be rolled out on the new website. Members and the CBT Team will be made aware of the changes and familiarised with the approach before the launch of the new website. An ongoing agile approach will be taken, allowing for iteration in language as areas develop.
27. Brand Positioning - Work began in 2020 to carry out internal and external workshops and qualitative and quantitative research to set out the foundations for building a new brand position and identity. Due to staff capacity and timings with embedding the BHE Leadership Team and governance structures, this project has been on hold, but now is the right time to restart. In the meantime, some visual assets have been created, driven by the Board Dinner, to promote what we do, rather than who we are, and avoid further promotion of any one of the brands that sit within the BHE family.
28. The process to finalise a brand positioning and identity will comprise of three key stages – some of which we have already completed:
  - a. Brand positioning - developing our positioning strategy:
    - i. Target audiences identified (completed)
    - ii. Market research (completed)
    - iii. Internal/external qualitative/quantitative stakeholder interviews (completed)
  - b. Brand core – proposed workshop in September:
    - i. Brand purpose
    - ii. Brand vision
    - iii. Brand tone / values
  - c. Brand persona – proposed workshop in September
    - i. Brand personality

- ii. Brand tone of voice (begun)
- iii. Brand statement and tagline (begun)

d. Brand Identity:

- i. Naming and design

29. The Communications team, with support from Brand Agency William Joseph, will build on the work already completed to finalise a brand position and create a strong new brand identity for the charity. It is proposed that in September workshops be set up to take this forward, involving Board Members and a working group of Officers from across BHE. All workshop stages will be followed by a time of collating and synthesising before a formal feedback session is run. Expressions of interest from the Board are sought today for participation in these sessions.
30. Further information on the branding work is provided at the following links. This includes what we mean by brand and what it can do for us – which can be found [here](#) - and user research findings, which can be accessed [here](#).

### **Finance Updates**

31. Over recent weeks, the focus of the BHE Finance Team has been on the preparation of the 2021/22 Annual Report and Financial Statements, being the culmination of the financial year of the charity. An initial indication of the total funds of the charity as at 31 March 2022 is included within item 7 of the agenda, now being above £1.7bn. The audit fieldwork commences on 04 July.
32. Whilst focus is necessarily still on the previous year, the team are also considering the latest position for 2022/23, with the above report presenting the first update on financial performance against budget. The high levels of inflation now being experienced represent the greatest financial challenge for the year, with discussions on the impacts of this across the activities of the charity taking place within the Leadership Team. Revised forecasts will be a focus over the coming weeks, considering the impacts of both increased costs and other potential changes to planned activities upon the reserve levels of the charity.
33. Audit Planning Report - The Audit Planning Report from BHE's new external auditors, Crowe U.K LLP, was presented to the May 2022 meeting of the Audit & Risk Management Committee, noting the advisory role that this Committee holds in relation to the BHE Board. This report sets out various matters relating to the audit of the annual report and financial statements of BHE for the year ending 31 March 2022, including: an overview of the planned scope and timing of the audit; significant risks of material misstatement, their approach to internal control relevant to the audit, the application of the concept of materiality alongside any other significant matters that are relevant to the oversight of the financial reporting process. This report can be found at **Appendix 1**.

### **Investment Portfolio Updates**

34. Social Investments – The quarter ending 31 March 2022 showed a return of 3.26% (0.07% below end December 2021) with a valuation at year end of £8.6m. BHE's

social investment facility is divided almost 60:40 between property and fixed income loans. The social impact themes currently supported include homelessness, domestic violence, young carers, LGBTQ+ migrants, and adults with learning disabilities. With the recent approval for the Supplemental Royal Charter and the first meeting of this Board's Investment Review Working Group, officers are developing proposals for the BHE's future social impact investment activities.

35. Property Investments – There are several reports on the agenda today which provide further information on BHE's property investment portfolio.

36. Financial investments – A full report on the performance on BHE's financial investment portfolio is provided later on the Board's agenda for today.

## **Conclusion**

37. This report provides a high-level summary of activities across the whole charity's operations and activities since the Board last met in April 2022. The Board is asked to note the content of the report and the progress made in each activity area over recent months. Further information of any of the updates given in this report can be provided to the Board either verbally in the meeting or in a written format in advance or as a follow-up to the meeting.

## **Appendices**

- Appendix 1 – Bridge House Estates Audit Planning Report, Year ending 31 March 2022

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