

Letchworth
Garden City
Heritage Foundation

Looking back & looking forward

The Foundation's role

Value capture enable us to meet our charitable objectives

Commercial asset management optimises income through value capture – £1 commercial rent received, 60p managing and maintaining property & 40p community re-investment

Community reinvestment meets our 4 core charitable objects:

- Heritage and environment
- Learning
- Poverty and wellbeing
- Recreation & leisure

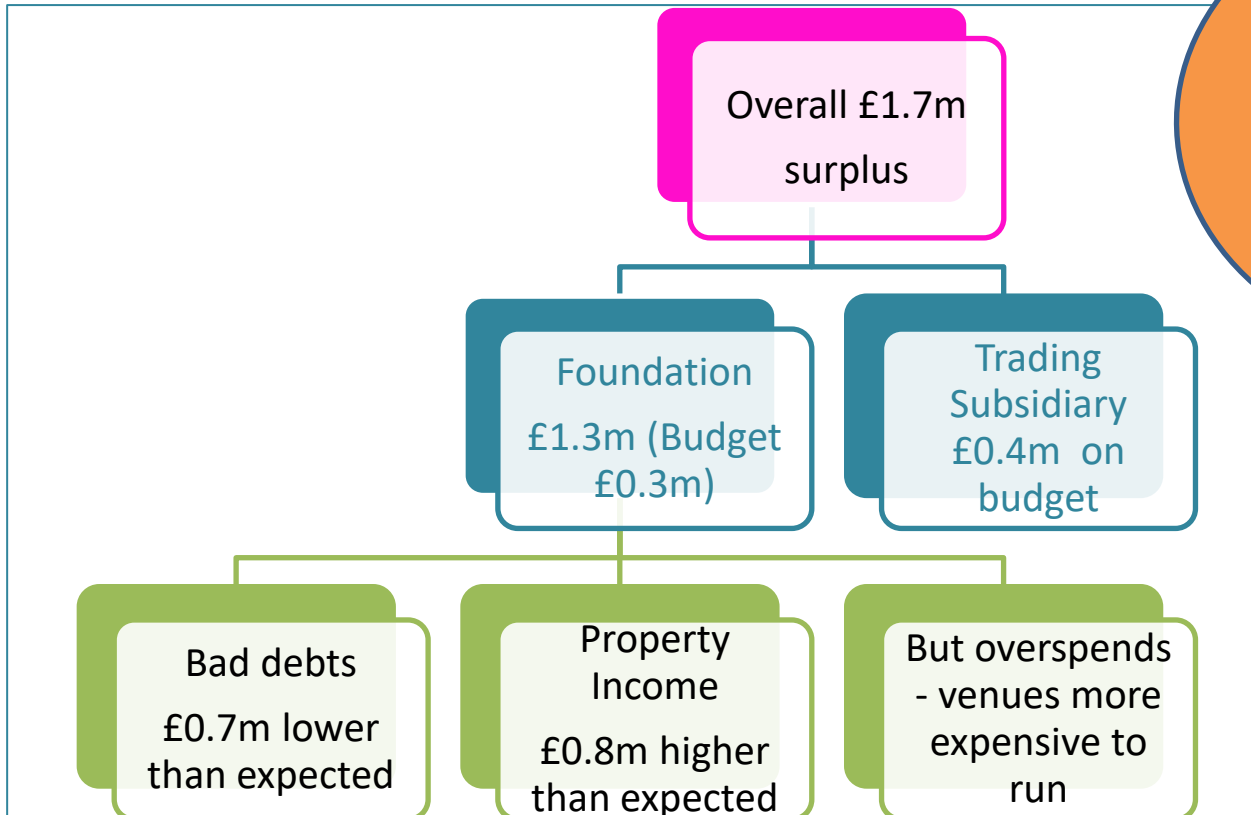
Context - COVID legacy

- Commercial rent arrears & debt
- Outstanding lease events and maintenance backlog
- Demand for office space has fallen
- Town Centre economy & footfall
- Rising costs & inflation

- Reduced community re-investment
- Cinema audience
- Voluntary sector capacity

- + cost of living crisis, rising cost of borrowing

2022 finances – at a glance



Results stronger than budget as rental income growth and bad debt performance both exceed expectations

2022 – Income & Expenditure

- ✓ Turnover increased by £0.8m (up 6.2%) exc. non-recurring asset sales
- ✓ Rent collection improved – 93% collected within 90 days (up from 88% Sept 21 Q3)
- ✓ Commercial rent arrears down £0.9m, but still @ £2.3m
- ✓ Voids report an increase from 8.5% across 2021 to 9.7% in 2022, but offices @ 27%
- ✓ Venue sales coming back, up 11% reached £2.1m
- ✓ £1.3m more spent on charitable activities, total charitable expenditure reaching £6.3m
- ✓ £1.4m spent on property repairs and maintenance, up £0.2m from 2021.

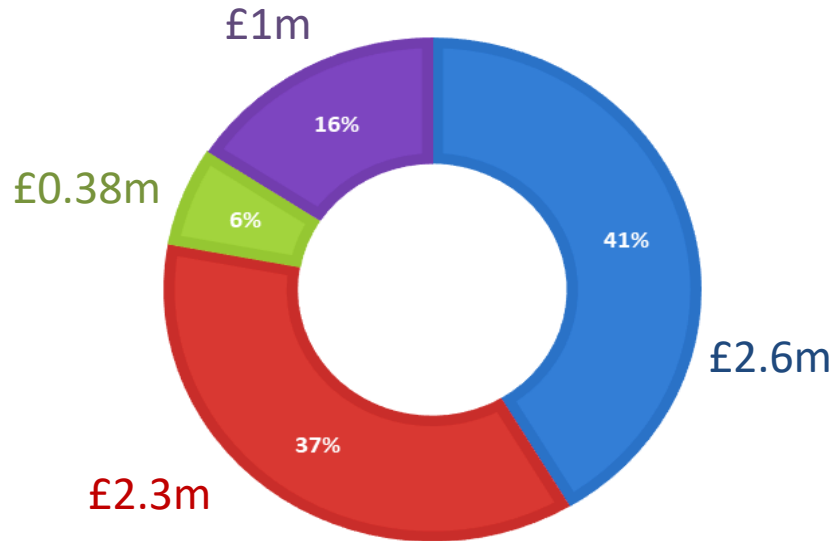
2022 – Capital and investments

- ✓ Our operating results, including land and building sales, funded our capital improvement and investment programme
 - £0.8m spent on land investment
 - £0.9m on buildings improvements and other capital spend.
 - £2.6m invested in ethical listed investments
- ✓ Value of investments increased by £15.1m. Increases to the value of land allocated for housing outweighed reductions in value of offices and some residential assets
- ✓ At the end of 2022, our investments were comprised: £215m (95%) property and £12m (5%) in ethical multi asset investments

Profile of charitable investment 2022

2022 CHARITABLE EXPENDITURE, £6.3M

■ Recreation ■ Education & Learning ■ Poverty & Sickness ■ Preserving buildings & environmental features



Fulfilling our charitable objects

Objective	What we do
Heritage & environment £1m	Greenway, maintain open spaces/trees & planting Heritage Advice Service Town centre & streetscape
Poverty & sickness £380k	Grant funding: Citizens Advice, foodbank, hospice
Education & learning £2.3m	Standalone Farm, Gallery, Garden City Collection, Museum @OGC, family arts & heritage & cultural learning
Recreation & leisure £2.6m	Broadway cinema Grant funding

2022 in numbers

- 1100 Applications under the Scheme of management, 95% approval rate
- 16 new residential tenants, 100% tenancy satisfaction
- 128k Broadway cinema admissions
- 15k visits to Broadway Gallery
- 92k visits to Standalone Farm, £1m capital investment
- £486k grant funding to voluntary sector
- 4,500 visits to the Museum at One Garden City

Strategic highlights

- Culture strategy
- Platinum Jubilee grants programme
- Increased investment in heritage advice & Standalone Farm
- Tackling poverty & cost of living crisis – debt , financial health & food poverty
- A great start to life
- Volunteering
- Town Centre Recovery
- Letchworth identity/brand
- Voluntary sector insight - All about Us

Housing developments

- Local Plan adopted
- Strategic masterplanning for LG1
- Community engagement & Grange Community Panel
- LG3 & planning
- Smaller brownfield sites
- 1200 new homes from 2025 – 2035
- 40% affordable & community housing ambitions
- Apprenticeship ambitions

Looking forward

- Property management/maintenance & improvements costs will rise faster than our property income
- Forecast additional £2.5m annual spend for improved maintenance & EPC improvement
- Little scope to increase community re-investment to fulfil charitable objects
- Letchworth story - growing prosperity contrasted growing social need, especially impacting on children's lives
- Focus, collaboration and greater leverage

Questions