

# KEEPING COSTS DOWN

We are delighted that 82% of our occupiers independently surveyed rated British Land as good or excellent, an increase from 73% in 2007. Along with our managing agents, we are committed to build on this – and delivering value for money remains our key priority. Find out what our occupiers said and how we plan to address the issues you identified.



## OFFICE

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*“We are pleased with the level of positive feedback our office occupiers provided. We will carry on working with you and Broadgate Estates to address the issues you identified. We welcome your feedback.”*

- Tim Roberts, Head of Offices

***“British Land has become much more tenant friendly and gone away from the landlord versus tenant scenario. They listen more than they have ever done and are much more responsive than they ever have been.”***

UK Property Director



## OFFICE

85% of you rated British Land as your landlord as good or excellent, an increase from 75% in 2007.



### This year, we will be focusing on:

- Identifying opportunities to reduce service charges
- Improving how we manage development projects
- Working with Broadgate Estates to raise performance
- Working with you through carbon partnerships
- Ensuring that we comply with industry codes
- Simplifying the approvals process

**Who we spoke to** RealService carried out over 20 telephone interviews with Chief Operating Officers, Property Directors and senior facilities management personnel. Interviews were conducted during January and February 2009, with each interview lasting between 30 and 40 minutes. Quantitative and qualitative feedback was gathered.

*“In the current climate we need to be able to justify expenditure and we are always under pressure to try and reduce it. A lot comes down to how well the building is managed and how flexible British Land is.”*

Facilities Manager



## DELIVERING VALUE

17% rated satisfaction with value for money on service charges as good or excellent. Although only 11% said that we were below average value for money we will work with you and Broadgate Estates to improve this.

### IN 2009 *you said:*

“Service charges are expensive, but are par for the course around here.”

- Property Manager



“I would like British Land to consider ways to reduce the service charge.”

- Head of Property and Corporate Services



“It would be nice to have more say in what services are provided and whether there is scope to reduce costs.”

- Finance Director



### SO WE WILL:

Broadgate Estates has been tasked to review the way we provide and procure services and identify real savings in each building which we can start to deliver to you from October 2009.

We have begun a process to deliver real savings in service charge costs for 2009. In July we will hold meetings at each building to get your initial feedback on proposed measures to achieve these savings. Broadgate Estates will be in touch to arrange these meetings. We will finalise our plans for these reductions in September.

We will engage all buildings and occupiers in our cost reduction plans for 2009 and beyond. We are arranging meetings both in July and September to discuss our plans and to consult on next year's budgets. This consultation will become a normal step in the process for the future.

### What we have already achieved **Delivering value**



No increases targeted in 2009/10 service charge budgets.



10% reduction in property insurance premiums for 2009/10.



Broadgate Estates has tendered gas supply for all buildings where contracts were due on 1st July achieving an average 37% reduction in gas unit costs.

**“British Land needs to keep talking to us, especially if things are not going to plan. We need to be kept informed of the status of any work and its impact on our business.”**

Chief Operating Officer



## NEIGHBOURING CONSTRUCTION WORKS

31% rated the management of development, refurbishment and construction projects as good or excellent. We are working with you, our contractors and Broadgate Estates to improve this.

### IN 2009 *you said:*

“I would like to see more communication and consultation with the tenants. They need to keep us in the loop and ensure everyone is comfortable with things like the hoardings and scaffolding.”

- Human Resources and Office Services

“We didn’t get enough warning and information in advance of the works.”

- Head of Property and Corporate Services



### SO WE WILL:

We will ensure that we engage fully with occupiers at an early stage in the planning process on all future construction or development projects and use your feedback to inform design and development plans for the project.

Matthew White at British Land is now responsible for current projects on site. He will ensure occupiers are forewarned of construction issues and consulted where it may affect them. Broadgate Estates will liaise with Matthew White to ensure there is communication with occupiers. With future significant projects, we will fund a dedicated resource to support communication.

### What we have already achieved **Neighbouring construction works**



Created more than an acre of new public space at Broadgate and enhanced pedestrian routes.



Broadgate developments information online - [www.blmicrosite.com/beldev/index.htm](http://www.blmicrosite.com/beldev/index.htm)



Regent’s Place developments information online - [www.regentsplace.com/estate/developments/](http://www.regentsplace.com/estate/developments/)

**“British Land is a very responsive company. They take clients’ comments to heart, and act upon them.”**

Operations Manager



## IMPROVING PROPERTY MANAGEMENT

89% rated British Land’s responsiveness as good or excellent, an increase from 57% in 2007. Broadgate Estates’ average satisfaction score was 72%, compared to 73% in 2007\*.

### IN 2009 *you said:*

“I can always get hold of them, and they try very hard to deal with issues. We have a very good relationship.”

- International Senior Manager



“Broadgate Estates should continue to focus on service levels, which I would say are fairly good.”

- Property Manager



“Communication is very good. I don’t care who I talk to as long as the building is well run, there is clarity of communication and the person is available and reliable.”

- Facilities Manager



“Electricity bills come in very late and it is hard to talk to people about queries.”

- Head of Facilities



### SO WE WILL:

Continue to build relationships with occupiers through our key account programme.

We are taking steps to strengthen some of the building management teams. We are preparing training and development plans to ensure teams can grow more in their existing roles. This should improve their effectiveness as well as establish more stable teams.

Continue to monitor the performance of Broadgate Estates against our customer-focused key performance indicators.

We have been reviewing our electricity recharge process to improve timeliness and detail of bills. We have identified short and long term solutions which we believe will improve this.

### What we have already achieved **Property management**



Developed a key account programme to ensure regular contact with occupiers, improving customer satisfaction from 40% in 2005 to 85% in 2009.



Introduced customer-focused performance indicators for Broadgate Estates, publishing results each quarter.

\*Based on a mean rating of 3.58 out of 5 in 2009, compared to 3.64 out of 5 in 2007.

*“The economic climate hasn’t had any impact on the importance we place on sustainability. It’s a big issue for us and the biggest thing is our building. We’re working closely with British Land.”*

Chief Operating Officer



## CARBON PARTNERSHIPS

90% considered that our sustainability initiatives added value to their business. 60% stated that environmental initiatives were now more important to their company than they were a year ago.

### IN 2009 *you said:*

“Our ethos on sustainability is very much aligned to British Land’s which makes it easier for us to implement our strategy. Other landlords don’t have sustainability high up the agenda.”

- Director of Facilities

“Energy efficiency and sustainability are now built-in to our day-to-day working, not a separate issue. It’s in everyone’s interest to cut down on power usage and increase efficiency.”

- Group Engineering Manager

“British Land is very proactive about sustainability. Their documentation is very good, and they are visibly supporting sustainability. It supports our business very well, and is certainly beneficial.”

- Operations Manager

### SO WE WILL:



Establish carbon partnerships in 8 multi-let buildings between occupiers and the building management with Arup support to achieve real reductions in energy and water consumption.









Seek agreement from occupiers to install energy management systems in each building which will reduce energy consumption and ensure the ongoing optimisation of heating and cooling. Finance the capital cost of this through guaranteed savings which will be generated as a result.



By 2012 achieve a 20% reduction of energy in the common parts of all buildings against a 2004 baseline.

What we have already achieved →

## What we have already achieved **Carbon partnerships**

-  Saved occupiers £600,000 over the last four years by reducing like-for-like energy use.
-  Saved office occupiers almost £100,000 by diverting 95% of managed waste from landfill.
-  Recovered 97% of fit-out waste at 201 Bishopsgate and The Broadgate Tower, saving £50,000 in landfill taxes.
-  Published our Broadgate Together and Regent's Place Together corporate responsibility plans.
-  Piloted environmental partnerships in four buildings and developed a carbon reduction agreement.
-  Established Environmental Working Groups at Broadgate and Regent's Place.

*“The way in which the service charge is managed is first class. It’s very transparent, and I would definitely give it a rating of excellent. It’s something British Land does particularly well.”*

Senior Surveyor



## COMPLYING WITH THE CODES

92% considered that British Land complied with the Service Charge Code, an improvement from 89% in 2007. 100% considered that British Land complied with the Lease Code, an increase from 92% in 2007.

### IN 2009 *you said:*

“They give us detailed service charge breakdowns, which I find nice and clear.”

- Operations Manager



“I’d like a much clearer service charge budget statement.”

- Facilities Manager



“Tim Roberts has endorsed the Code and is driving his team to implement it. Leadership from the top has helped.”

- UK Property Director



### SO WE WILL:

Continue to provide detailed budget packs and monitor whether Broadgate Estates delivers information on a timely basis.

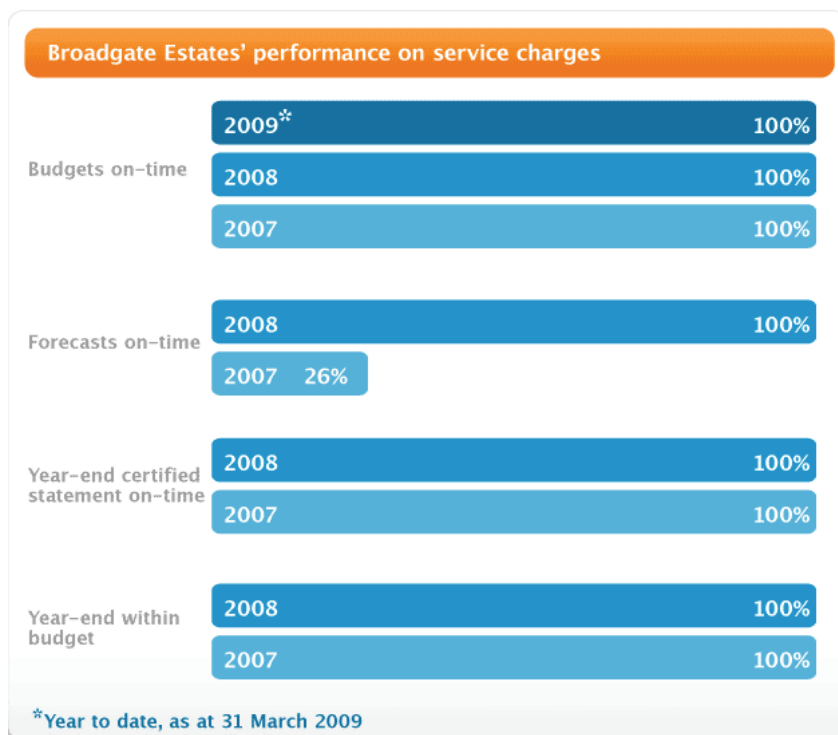
Review and revise service charge budget packs in September for production of next year’s budgets.

Carry on publishing service charge performance data. Measure compliance with the Service Charge Code through the RealService industry benchmark.

What we have already achieved →

## What we have already achieved **Complying with the codes**

- ✓ Issued 100% of service charge information on time in 2008.
- ✓ Provided you with budget packs (containing a three-year forecast), mid-year reviews and forecasts, and annual reconciled statements.
- ✓ Monitored whether Broadgate Estates provided you with service charge information on a timely basis.
- ✓ Issued Lease Code and Service Charge Code guidelines to Broadgate Estates.
- ✓ Joined the Commercial Landlords Accreditation Scheme.



*“The speed they turn things around is good. Things don’t get dropped on a pile and sat on for months. Their process is much more ‘in and out’.”*

Senior Surveyor



## IMPROVING THE LICENCE APPROVALS PROCESS

67% rated the approvals process as good or excellent.

### IN 2009 *you said:*

“They issue permits promptly and requests are processed well. They haven’t put any obstacles in our way and I am highly satisfied.”

- Head of Human Resources



“My main complaint is how expensive it is. We are charged a fortune. Solicitors’ fees for us to make an alteration are unbelievable and really mount up.”

- International Senior Manager



“The online form we have to fill in is not user-friendly. The platform needs updating. Overall, though, the way the applications are handled has improved.”

- Property Director



### SO WE WILL:

Extend the monitoring of response times on licence applications beyond Broadgate Estates to encompass all licences handled by lawyers to reduce response times further.

We will fix all fees in relation to licence applications. Fixed fees may need adjustment however if you make material changes to the full information pack which you supply to Broadgate Estates. [Fixed fees details below](#)

Work with Broadgate Estates to improve the online form for licence applications.

Agents’ fees remain fixed at £300 for a letter licence and £500 for a formal licence.

Legal fees will be fixed as follows until 30th June 2010: £950 for licence to assign; £1,350 for licence for alterations; £1,750 for licence to underlet and £3,000 for wayleave/telecoms licences (tripartite).

All other consultants’ fees will be fixed and agreed once your full information pack has been provided to Broadgate Estates.

What we have already achieved →

## What we have already achieved **Improving the Licence Approvals Process**



Responded to 93% of requests for Licence for Alterations within five days in 2008, as well as writing Letter Licences or instructing solicitors within five days of receipt of full information.

