

Appendix A

Committee: Policy and Resources Committee	Date: 5 July 2018
Subject: Review of Housing Governance	Public
Report of: Town Clerk	For Decision
Report author: Greg Moore – Town Clerk’s Department	

Summary

The Policy and Resources Committee has agreed to set up a new Working Party to oversee the delivery of 3,700 new homes, to be built as part of the City Corporation’s commitment to the delivery of affordable housing.

As part of this discussion, the wider question of the City Corporation’s housing governance was raised. This was with particular reference to the Barbican Residential Committee, which has struggled for some time to fill a number of vacancies from the Court and subsequently suffered from quoracy difficulties. The issue of housing governance was also raised and discussed recently at a meeting of the Court of Common Council in June.

The report examines the current structures in place around housing governance and presents a range of options for Members’ consideration in respect of a future direction for the City Corporation’s housing governance arrangements.

Recommendation

Members are asked to consider the options set out at paragraph 19 of the report and determine a way forward in respect of housing governance arrangements.

Main Report

Background

1. The City Corporation’s housing governance arrangements were last reviewed in 2011, as part of the comprehensive Governance Review process which took place at that time.
2. As part of that Review, it was specifically asked that consideration be given to the question of whether oversight of the entirety of the City Corporation’s housing activities, including the Barbican Estate, should be undertaken by a single Committee.
3. Up to this point, responsibility for housing matters had rested with the Community & Children’s Services Committee, with the exclusion of the Barbican Estate and the City Almshouses, both of which had dedicated committees.
4. Following consideration, it was determined that the status quo should be maintained in respect of retaining a separate standalone committee for the Barbican Estate. However, there was considered to be merit in creating a separate Housing Sub-

Committee, dedicated to the management of the City's other eleven housing estates, such that it could give greater attention to engagement with residents. The City of London Almshouse Trust was also subsumed and merged with this new Housing Sub-Committee.

Current Position

5. The existing arrangements have worked well since that time in respect of the Housing Sub-Committee and its engagement with the various Estates and Almshouses. The Sub-Committee meets a minimum of four times per annum (and in practice now meets five times per annum) and reports in to the Community & Children's Services Committee. The Director of Community & Children's Services has also confirmed that he is content with the existing arrangements in respect of the Housing Sub-Committee, which he believes compare well with arrangements at other local authorities.
6. The Community & Children's Services Committee is, however, not responsible for the management of the Barbican Estate. Arguments have been rehearsed over the years for not amalgamating the two areas, principally to satisfy Barbican Residents who opted, via a referendum in 2003, to retain the City Corporation as managers of the Estate.
7. The Barbican Residential Committee has therefore retained responsibility for that Estate, including the management of all completed residential premises and ancillary accommodation on the Barbican Estate, as well as the disposal of interests in the Barbican Estate, since its creation. The Committee's Constitution and Terms of Reference are set out for information at Appendix 1.
8. It is a non-ward committee appointed by the Court of Common Council which acts on behalf of the City Corporation as landlord of the Barbican Estate, and is not to be confused with the Barbican Estate Residents' Consultation Committee, which is an independent body which exists to represent the views of the Barbican Estate residents. In carrying out its management functions, the Barbican Residential Committee must have regard to any representations made to it by the Barbican Estate Residents' Consultation Committee.

Issues

9. The Barbican Residential Committee has, in recent times, struggled to attract Members to fill the non-residential vacancies on the Committee.
10. Whilst the Committee is comprised of both residential and non-residential Members, for obvious reasons it is only non-residential Members whose presence counts towards a quorum (the quorum being any four Members who are non-residents).
11. With 11 places for non-residential Members (as opposed to 9 for residential Members), the Committee carried five vacancies for the majority of the past municipal year and currently has four vacancies. As a consequence, it has been in danger of either failing to establish or failing to maintain a quorum at its quarterly meetings. Although only one meeting in the previous year failed to achieve a quorum, significant effort has been required at times to avert further meetings being similarly affected.

12. There have also been a number of discussions concerning potential conflicts of interest. Such conflicts are essentially 'hard-wired' into the Barbican Residential Committee itself by the fact that nine places are reserved for Members from the wards (or sides of Wards) encompassing the Barbican Estate, with three Members each being nominated by Aldersgate, Cripplegate Within and Cripplegate Without. The intention of this arrangement was to ensure that the views of residents were fully represented on the Barbican Residential Committee, as well as via the Barbican Estate Residents' Consultation Committee.
13. The Court of Common Council has attempted to offset any concerns over potential conflicts of interests by reserving the aforementioned further eleven places on the Barbican Residential Committee for non-residents of the Barbican Estate. Even when the one ex-officio position to the Chairman or Deputy Chairman of the Community & Children's Services Committee is taken into account, this ensures that a majority of the Members of the Barbican Residential Committee will be non-residents of the Barbican Estate. This does of course only protect the City's position if the non-resident Members attend in sufficient numbers.
14. Further safeguards include the fact that the Chairman and Deputy Chairman of the Barbican Residential Committee must be elected from the Members who are non-residents of the Barbican Estate, and that the quorum stipulates any four Members who are non-residents of the Barbican Estate must be in attendance.
15. There is no doubt that the current arrangements are lawful. The Barbican Residential Committee is covered by the rules on disclosable pecuniary interests in the Localism Act 2011 in the same way as any other Committee. Members of the Barbican Residential Committee can deal with any disclosable pecuniary interests that arise by not participating in the discussion and vote on that item, or by seeking an appropriate dispensation from the Standards Committee.
16. However, Members may wish to consider whether the constitutional arrangements of the Barbican Residential Committee might give rise to a public perception that conflicts of interest could occur.
17. Indeed, the Standards Committee, at its 26 January 2018 meeting, resolved its belief that the present operation of the Barbican Residential Committee - and particularly the association of the two distinct roles of managing agent and landlord - gives rise to a perception of a conflict of interest (please see the accompanying Resolution attached as Appendix 2). They have therefore suggested that the Policy and Resources Committee might wish to review the current composition and terms of reference of the Barbican Residential Committee, dependent on the broader decision concerning overall housing governance arrangements, in order to consider the separation of the managing agent and landlord roles to relieve these perceptions.
18. It should be emphasised that the Barbican Residential Committee is by no means the sole vehicle or mechanism through which the City Corporation consults with residents on the Barbican Estate. This includes liaison with the Housing Associations through the Barbican Association, and with residents through social media and the website, notices on boards, letters, and drop-in sessions.

Options

19. In view of the issues outlined above and in response to Members' requests for the existing arrangements to be reviewed, a variety of options are presented for Members' consideration:

- (i) **Maintain the status quo.** Whilst issues have arisen in recent times, the Barbican Residential Committee has still only failed to achieve a quorum on one occasion and the existing Housing Sub-Committee works well. Members may wish to consider leaving matters as they stand for the present and reviewing the arrangements in twelve months' time, to see if problems filling vacancies on the Barbican Residential Committee continue.

Equally, Members may consider it prudent to wait until the work of the new Housing Delivery Programme Working Party has progressed before commencing a comprehensive review of housing governance, which would take into account outcomes from the Working Party's activity. With the increase of leaseholders on some Estates such as Golden Lane, there may well reach a point where having a separate Private Estates Committee - covering the Barbican, Golden Lane, plus any private ventures emerging from the Working Party's activities - might provide a more appropriate shift in governance arrangements.

- (ii) **Disband the Barbican Residential Committee and transfer its responsibilities to the Community & Children's Services Committee.** They could, perhaps, discharge their new duties through the existing Housing Sub-Committee, which could have its own remit expanded in turn. It should be noted however that the funding models for the Barbican (and other private estates) are different to those for the social housing estates; in addition, the Director of Community & Children's Services has expressed some concern that there might be a risk that Barbican issues would dominate and overshadow social housing issues.
- (iii) **Disband the committee and transfer its responsibilities to the Property Investment Board.** The Property Investment Board manages the City Corporation's property portfolio, including the day-to-day management of a large number of commercial properties, each with varying arrangements with leaseholders. The argument could therefore be made that this function is broadly analogous to the management of the Barbican Estate, which could transfer to PIB's control.
- (iv) **Reconfigure the Barbican Residential Committee,** given the consistent issues in filling vacancies and quoracy concerns, as well as potential perceived conflicts of interest. Should Members wish to pursue this matter, it is recommended that a further report be produced setting out a variety of options.
- (v) **Establish a new, non-ward based Housing Committee.** This could be a comprehensive, overarching Grand Committee in the style of the Investment Committee, which would deliver its work through two Boards – one for the

Barbican Estate, and one for the others City Estates currently managed through the Housing Sub-Committee. The membership of both Boards would flow from Grand Committee, as with Investment Committee and its Boards.

This would exclude responsibility for the delivery of the 3700 new homes, for which a separate Working Party has already been established.

The exact composition of such a Committee and its Boards would be the subject of a further report, but in broad terms it could perhaps comprise two Aldermen nominated by the Court of Aldermen, 14 Members elected by the Court of Common Council, and relevant ex-officio Members. Members may also consider it appropriate to reserve a number of places on the Committee for Members from residential wards and also whether the Committee would benefit from having one or two co-opted non-City of London Corporation Members with appropriate expertise.

Conclusion

20. Members are asked to consider the current position in respect of housing governance arrangements and determine what course of action, if any, should be taken to enhance or improve existing arrangements.

Greg Moore

Town Clerk's Department

T: 020 7332 1399

E: gregory.moore@cityoflondon.gov.uk

BARBICAN RESIDENTIAL COMMITTEE

1. **Constitution**

A Non-Ward Committee consisting of,

- 11 Members who are non-residents of the Barbican Estate elected by the Court of Common Council, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- three Members nominated by each of the following Wards:-
 - Aldersgate
 - Cripplegate Within
 - Cripplegate Without
- the Chairman or Deputy Chairman of the Community & Children's Services Committee (ex-officio)

The Chairman and Deputy Chairman of the Committee shall be elected from the Members who are non-residents of the Barbican Estate.

2. **Quorum**

The quorum consists of any four Members who are non-residents of the Barbican Estate.

3. **Membership 2018/19**

Non-Residents:-

- 7 (4) Jeremy Paul Mayhew
- 1 (1) Rehana Banu Ameer, *for two years*
- 10 (3) Michael Hudson
- 2 (2) Graham David Packham, *for three years*
- 6 (2) Christopher Paul Boden
- 2 (2) Susan Jane Pearson
- 1 (1) Matthew Bell, *for three years*
- Vacancy
- Vacancy
- Vacancy
- Vacancy

Residents:-

Nominations by the Wards of Aldersgate and Cripplegate (Within and Without), each for the appointment of three Members

Aldersgate

Randall Keith Anderson
Joyce Carruthers Nash, O.B.E., Deputy
Barbara Patricia Newman, C.B.E.

Cripplegate

Mark Bostock (Cripplegate Without)
David John Bradshaw, Deputy (Cripplegate Within)
William Pimlott (Cripplegate Within)
Joan Mary Durcan (Cripplegate Without)
John Tomlinson, Deputy (Cripplegate Without)
Stephen Douglas Quilter (Cripplegate Without)

together with the ex-officio Members referred to in paragraph 1 above.

4. **Terms of Reference**

To be responsible for:-

- (a) the management of all completed residential premises and ancillary accommodation on the Barbican Estate, e.g. the commercial premises, launderette, car parks, baggage stores, etc. (and, in fulfilling those purposes, to have regard to any representations made to it by the Barbican Estate Residents' Consultation Committee);
- (b) the disposal of interests in the Barbican Estate pursuant to such policies as are from time to time laid down by the Court of Common Council.

TO: **POLICY AND RESOURCES COMMITTEE**

5th July 2018

FROM: **STANDARDS COMMITTEE**

7th February 2018

10. **BARBICAN RESIDENTIAL COMMITTEE - POTENTIAL CONFLICTS OF INTEREST**

The Committee considered a report of the Comptroller and City Solicitor on potential conflicts of interest on the Barbican Residential Committee. The report had come forward following concerns expressed by Members of the Standards Committee at a previous meeting. Members noted that, on 14 December 2017, the Policy & Resources Committee had asked for the governance of the City Corporation's residential housing to be examined on a more strategic level with the aim of producing proposals which consolidate the governance arrangements of the City Corporation's residential housing offer.

The following matters were noted and raised.

- The Committee noted that the Barbican Residential Committee is responsible for the management of all completed residential premises and ancillary accommodation on the Barbican Estate, as well as the disposal of interests in the Barbican Estate. The Barbican Residential Committee acts on behalf of the City Corporation as landlord of the Barbican Estate.
- Nine members of that Committee are nominated by the residential wards encompassing the Barbican Estate, being Aldersgate, Cripplegate Within and Cripplegate Without. As a matter of practice, the members nominated by the wards of Aldersgate, Cripplegate Within and Cripplegate Without are always residents of the Barbican Estate.
- The Court of Common Council had attempted to offset any concerns over potential conflicts of interests by itself electing a further eleven members of the Barbican Residential Committee who are non-residents of the Barbican Estate. Even when the one ex-officio position to the Chairman or Deputy Chairman of the Community & Children's Services Committee is taken into account, this ensures that a majority of the members of the Barbican Residential Committee should be non-residents of the Barbican Estate. At present, however, there were five vacancies for non-resident members of the Barbican Residential Committee, despite significant efforts to fill these vacancies, and at meetings over the past two years Aldersgate and Cripplegate ward members had always been in a majority.
- The Chairman and Deputy Chairman of the Barbican Residential Committee are elected from the non-residents members of the Barbican Estate, and the quorum for meetings was any four non-resident members. Non-resident Members from the wards of Aldersgate, Cripplegate Within and Cripplegate Without can also be elected to fill the quota of non-resident members, stand for the Chairmanship and Deputy Chairmanship and count towards the quorum.

Currently, eleven out of the fifteen members of the Barbican Residential Committee represent Aldersgate or Cripplegate.

- The question of disclosable pecuniary interests and dispensations granted to enable members to speak was considered, along with relevant declarations made under the Code of Conduct.
- Members noted that, at the two most recent quorate meetings of the Barbican Residential Committee, the resident Members were in the majority.
- The Comptroller and City Solicitor confirmed that these current arrangements for the composition of the Barbican Residential Committee are lawful.
- Members then considered whether the current arrangements might give rise to a public perception that conflicts of interest could occur, particularly around Aldersgate and Cripplegate ward member ratios, quorum and attendance of non-resident members at meetings. A Member put forward the view that, having previously served on the committee, he was uncomfortable with its composition. Although he did not consider that anyone was motivated by self-interest, there was potential for conflicts of interest to occur and this point was endorsed by another Member who said that Aldersgate and Cripplegate members are put in an 'invidious position'. A further Member confirmed that he ceased to be a member of the Barbican Residential Committee due to similar concerns.
- Discussion continued and views were put forward that a revised structure may be necessary that allowed members at the committee to discuss issues such as service charges, with the management of the estate dealt with separately, effectively splitting the managing agent role away from the landlord role.

In conclusion, the informal meeting considered that the present operation of the Barbican Residential Committee, with the distinct roles of managing agent and landlord, and with the current vacancies for 5 non-resident members and Aldersgate and Cripplegate ward members being in a majority at its meetings over the past two years, could give rise to a perception of a conflict of interest and that the Policy and Resources Committee might wish to review the current composition and terms of reference of the Barbican Residential Committee, in order to consider the separation of the managing agent and landlord roles, to relieve these perceptions.

The inquorate meeting asked that these **views be submitted to the Policy and Resources Committee under the urgency provisions of Standing Order No. 41(a) to ensure that these views could be considered as part of that Committee's review of the governance of the City Corporation's residential housing.**