

Committee: Policy and Resources	Date: 13 December 2018
Subject: Enhancing the Diversity of the Court of Common Council	Public
Report of: Town Clerk on Behalf of the Members Diversity Working Party	For Decision
Report Author: Angela Roach, Assistant Town Clerk and Director of Member Development	

Summary

1. The Policy and Resources Committee understands the importance of the Court of Common Council better reflecting the communities which it serves. To assist with this a Members Diversity Working Party (MDWP) was created to *“consider and make recommendations to help promote the merits of standing for office as a Common Councillor or an Alderman to enhance the diversity of the Court of Common Council to represent better its constituency”*.
2. The Working Party is chaired by one of the Committee’s Vice-Chairs, Tom Sleigh, and comprises 14 Members including two external co-optees, the Economist and author, Vicky Pryce and Chris Bernard an Executive-level diversity focused recruitment specialist. Given the importance of this area of work, meetings have been attended by the Town Clerk and Director of Communications as well as representatives from Human Resources. A number of experts with experience in the area of diversity and inclusion have also attended some of its meetings, such as the Chairs of the City Corporation’s six Staff Diversity Networks and Trevor Phillips, former Chair of the Equality and Human Rights Commission and a co-optee on the Barbican Centre Board, to assist with its work. It has met on six separate occasions.
3. The MDWP noted that in 2017 33% of Councillors in England and 32% of MPs were women and that 30% was the target for female representation in decision-making positions across the Commonwealth. It is also the target for the 30% Club, a campaign which aims to increase gender balance on UK Boards (<https://30percentclub.org/about/who-we-are>).
4. Currently, approximately, 21.6% of the Court of Common Council (including Aldermen) are women. In the 2017 demographic survey of Members, of the 75 people who responded, 10% indicated that they had a disability, 90% were white, 4% Irish, 4% Indian-Asian and 2% mixed Asian-White. Mindful of recent concerns about the lack of gender diversity on some of the City Corporation’s committees, an analysis of the number of women serving on committees is attached at Appendix A.
5. The Terms of Reference of the Working Party were relatively broad, and the MDWP took ‘better represent its constituency’ to mean the communities of residents and workers in the square mile. Data from the 2011 Office National Statistics Census and the 2011 Workforce Census was used to establish the numbers associated with this report, e.g. 61% of the City’s workforce at that time was male and 39% female and 56% of residents were male and 44% female. With regards to BAME representation, 22% of the workforce and 21.2% of the residents were BAME.

6. The Working Party's work focused on six of the nine legally protected characteristics, i.e. age, disability, race, sex, sexual orientation and religion or belief. Whilst it acknowledged its terms of reference, for the reasons set out in paragraphs 11 and 12 of this report, the Working Party looked at activities which fell broadly into the following overarching areas:-

- **Removing barriers, promoting and attracting more diverse candidates.**
- **Progression and achieving balanced representation within the City Corporation's governance structure.**
- **Improving diversity of the City Corporation's external representation, communication and events.**

7. Amongst other things the MDWP considered the views of the LGIU and Fawcett Society's 2017 "Women in Local Government" report. Separately, the Chair of the Working Party sought the views of the Chief Executive of the Fawcett Society, Sam Smethers, and she commented as follows:-

"Women's representation and diversity in politics matters, and it matters at every level. Fawcett Society research has found that 6 out of 10 women and a third of men say that politics is "more relevant to people like me" when they see women representing them. The debate often centres on parliament, but it is at local level that women can make the most difference and where they are desperately needed.

Fawcett's Local Government Commission found that progress on women's representation has stalled at just 33% but note women's representation in the City of London has further to go at just 21%. We also found that sexism and discrimination are still commonplace in our town halls and that this culture can deter women from standing or putting themselves forward for re-election.

There is ample evidence now from the world of business that getting more women into teams improves performance and decision-making. If business can get it right, then so can our politics"

8. In conducting its work, the Working Party acknowledged the reputational risks associated with inaction and the membership of the Court not being more reflective of the City's communities. Whilst a number of activities were explored, the most viable of these are set out in Appendix B of this report and are recommended for approval. Some are 'quick wins' and some, whilst considered necessary, can only be achieved in the long term. The suggestions have been prioritised and set out below are some of the actions which the MDWP consider a priority:-

- The appointment of a senior officer with responsibility for Member diversity and inclusion, to work in consultation with the newly appointed Diversity and Business Engagement Lead Officer (whose responsibility is staff related both internally and outreach focused). The duties of this dedicated position could include for example, developing an overall strategy, community outreach, proposing achievable targets for improving diversity, relevant Member training, external promotional activity organising of events to support this agenda. The appointment and some of the proposed areas of responsibility can only be achieved with the provision of appropriate funding;
- Setting and publishing targets to improve diversity in the areas of gender and ethnicity in the first instance;

- Engaging a professional external consultant specifically to consider if the lack of remuneration serves is a barrier to attracting people from more diverse backgrounds;
- Undertaking a review of the committee election voting system with diversity in mind, as well as the inclusion of appropriate wording on ballot papers indicating current gender/BAME breakdown of each committee. This could act as a prompt for Members to consider the make-up of committees when voting.

Recommendation

9. Members are asked to consider and approve the activities recommended by the MDWP including the priorities assigned to them as set out in Appendix B to this report.

Main Report

Background

10. Since 2015, the Policy and Resources Committee has looked at ways in which to enhance the diversity of the membership of the Court of Common Council to better reflect the people and businesses it serves. A number of activities have been pursued in the last three years, particularly in the lead up to the 2017 Common Council elections. Given the importance of this area of work, the Committee acknowledged that more needed to be done. A dedicated Members Diversity Working Party (MDWP) was therefore created to develop, consider and make recommendations to the Grand Committee on what else could be undertaken to further promote the merits of standing for election and enhance the diversity of the Court, including the Court of Aldermen.
11. The MDWP is chaired by one of the Committee's Vice-Chairmen, Tom Sleight and comprises 14 Members including the Chair of Policy and Resources, two external co-optees, the Economist, Vicky Pryce and Chris Bernard a diversity-focused recruitment specialist with significant experience in hiring Executive-level roles. Given the importance of this area of work, meetings are also attended by the, Town Clerk, the Director of Communications and representatives from HR. It has met on six separate occasions and, to assist with its thinking, the DMWP also invited a number of guests with experience in the area of diversity and inclusion to attend some of its meetings.
12. The MDWP's work focused on six of the nine legally protected characteristics i.e. age, disability, race, sex, sexual orientation and religion or belief. It considered that unless action is taken to build a pipeline of women and BAME candidates who want to stand, the Policy Committee will not be able to achieve its objective for the Court to better reflect the communities it serves. Therefore, more needed to be done to encourage a diverse pool of candidates to stand. It also acknowledged that the business community had accepted that more balanced representation means better decision-making. The 30% Club (a campaign launched in 2010 with the aim balancing gender diversity at an executive level) for example, had shown that gender balance on boards not only encouraged better leadership and governance, but that diversity further contributed to better all-round board performance, and ultimately increased corporate performance for both companies and their shareholders. The MDWP therefore felt that consideration should be given to adopting best practice in this area.

13. The Working Party was of the view that for many people, their first impression of the City Corporation would be at one of its many hosted events; its social media accounts or in the Press. The 'look and feel' of events and messaging was therefore important both in terms of showing the best of the City, including as an inclusive place where all talents from an array of backgrounds can rise to the top. Consequently, it is important for the City Corporation to review its rules of engagement when communicating externally.
14. A number of activities which fall broadly into the following overarching areas have therefore been explored:-
- **Removing barriers, promoting and attracting more diverse candidates.** e.g. building a strong pipeline of interested individuals from the City's communities (workers and residents) as well as further afield; outreach to networks, published targets, talent pipelines, lessons from and partnerships with business, proper resources for supporting activities, etc
 - **Progression and achieving balanced representation within the City Corporation's governance structure.** e.g. showing that talent can rise to the top irrespective of background, mentoring for new councillors, publishing committee gender breakdown on committee ballot papers at the Court of Common Council, aspirational quotas for leadership makeup across the organisation, etc.
 - **Improving diversity of the City Corporation's external representation, communication and events.** e.g. consider how the City is represented in communications to ensure the City Corporation is seen as an open and inclusive organisation that people of all backgrounds can identify with.
15. The MDWP is seeking the Committee's approval of all its 20 recommendations. Many are highly inter-dependent and will have more impact in aggregate than as individual items. Whilst the details of how the Working Party reached its conclusion on each activity is not discussed in detail in this report, further information is provided on some of the proposed activities below to give the Committee a flavour of some of the debate which took place:-

Removing Barriers, Promoting and Attracting more Diverse Candidates

Introduction of Targets

16. Ten proposals are set out under the heading of *removing barriers, promoting and attracting more diverse candidates*, including the introduction of targets. The introduction of quotas and targets was considered by the Policy Committee early this year. Whilst the introduction of quotas was not supported by the Committee it acknowledged that the MDWP would need consider the use of quotas and targets further as part of its work. This has been considered and whilst the Working Party supported the Policy Committee's view that the introduction of quotas would be very challenging, it felt that setting public targets was less so and was worth pursuing providing it was dealt with in a measured way.
17. In terms of the focus of the work, and which protected characteristics to prioritise, the Working Party was of the view that focussing on just two characteristics in the initial period from now until 2021 was manageable and realistic. It is therefore proposing that

these should be ethnicity (i.e. Black, Asian and Minority Ethnic (BAME)) and, given recent concerns about the lack of gender diversity on a number of committees, gender. It was also noted that in addressing under-representation of gender, 50% of the overall population, it would set the pace for addressing other under-represented groups. Targets for the remaining characteristics should be reviewed after the next all out Common Council elections in 2021 and be the subject of future discussion.

18. The MDWP felt that reflecting the community of the City covered both the City's residents and workers. Therefore, in setting the proposed targets for gender and race, the MDWP compared data from the 2011 Office National Statistics Census and the 2011 Workforce Census (reflected in the table attached for information as Appendix C). It also examined the targets set for other institutions and considered the views of the LGIU and Fawcett Society's 2017 "Women in Local Government" report. In addition, it acknowledged that City businesses were already leading the way in addressing lack of diversity on boards. There are several examples in business of published targets, including membership of the '30% Club'. Whilst not Member related, it noted that in terms of its staff, the City Corporation has set a target to increase women in senior management positions (Grade G and above) to 45% by 2023.
19. The Working Party concluded that the City Corporation should be as ambitious as these other organisations. It is therefore proposing that, in line with the target set for increasing female representation in decision making positions across the Commonwealth and the 30% Club, the City Corporation should commit to seeking to increase its female membership to 30%, by 2021 with a view to representation in this area becoming comparable to the statistics for the City's community by 2025 (see Appendix C). The target for BAME representation should be set at 15% by 2021, with a view to it also being comparable to the City's community by 2025. These targets can be revised if new statistics following the 2021 Census show a material difference to 2011.

Mentoring

20. The MDWP is of the view that mentoring provides a valuable support mechanism. The benefits of peer mentoring, amongst other things, would include gaining practical knowledge on the work of the City Corporation, receiving encouragement, developing goals and assisting individuals in getting a better sense of direction. Consideration has therefore been given to the merits of developing more structured forms of mentoring and it was suggested that this should be aimed at:-
 - **City workers and residents** – i.e. those interested in standing for election to Common Council in future. This could be undertaken by a Deputy or a system selecting from a pool of Member mentors; and
 - **new Members once elected** - consideration could be given to the development of a "buddying" scheme. Again, this could be a Deputy or a system where the new Member can select from a pool of Member mentors.

Remuneration

21. In considering the issue of remuneration, the MDWP accepted that the matter had been considered several times over the past five years. It also acknowledged the outcome of the survey of Members undertaken earlier this year which concluded that

no payment should be introduced but that the Financial Loss Scheme should be reviewed to ensure that it was fit for purpose and that prospective candidates were not deterred from standing for election due to financial loss. The Working Party nevertheless listened to the view expressed by its external experts that (a) they were surprised to learn Members were not remunerated, (b) felt this was a critical issue holding back diversity and inclusion, and (c) Members were in an unfair position when being asked to comment on their own potential financial remuneration. A strong recommendation has therefore been made for an independent professional to be commissioned to consider specifically whether the lack of remuneration was a barrier to attracting talented people from diverse backgrounds from engaging with the City Corporation.

Technology

22. Consideration was also given to the use of technology as a means of maximising involvement. The Working Party supported the introduction of new technology to enable Members who were not able to attend a meeting in person to contribute to discussion remotely. It felt that this would greatly assist with the demands placed on Members time and the management of other commitments. It also noted that the Policy Committee would be looking at the viability and legal position in respect of virtual meetings and introduction of suitable equipment within Committee and Meeting Rooms to facilitate greater participation and flexibility.

Progression and achieving balanced representation within the City Corporation's governance structure

Committee Elections

23. Earlier this year, concerns were expressed by the Public Relations and Economic Development Sub-Committee and by the Grand Committee about the lack of gender diversity amongst the Members serving on it, and about the make-up of the Policy Committee not being representative of the wider Court nor the City of London's communities as a whole. The MDWP considered a number of mechanisms which could be put in place to address this. It acknowledged that consideration had been given to the introduction of an alternative system of voting for the election of Members on to committees in 2016. It nevertheless questioned whether it should be reconsidered and whether, for example, a system similar to that used for the election of the Chief Commoner should be introduced. The Working Party also felt that committee ballot papers (in Court, committees, sub-committees and working parties) should include information on the gender and BAME breakdown of the committee or sub-committee at the top of the paper, as this would serve as a data point for Members to consider the make-up of a committee when voting. The application of a 'nudge' theory was considered preferable than quotas as it bears no cost, nor mandates any action. It simply enabled Members to make a fully informed decision. It should be noted that the MDWP did not rule out quotas as a possible future step if this proposal proved ineffective.

Creation of Dedicated Sub-Committee

24. To help shape some of the ideas for improving diversity an informal Member-level Diversity Group was established in 2016. It was put on a more formal footing and replaced this year and reconstituted as the MDWP. The Working Party is of the view that consideration should now be given to whether the City Corporation should strengthen its commitment to improving diversity by creating a Member Diversity Sub-Committee rather than a task and finish working party. The Sub-Committee could, for example, be responsible for:-
- keeping the issue of Member diversity under review, including leading on monitoring and other data collection;
 - recommending any future targets associated with the other protected characteristics;
 - directing the work of the dedicated support officer Member diversity and inclusion (providing it is supported) and assist with the development of an overall strategy and a structured programme;
 - recommending to the Grand Committee a programme of external promotional activities; and
 - establishing a pool of Member-level mentors for new and prospective Members.

Improving diversity of the City Corporation's external representation, communication and events

25. The MDWP is keen to ensure that diversity is embedded across the range of City Corporation activities and that it is considered as a general rule. The Working Party acknowledged that messaging played a critical part in achieving this and therefore supported the development of a policy to further highlight the importance of diversity and inclusion. Such a policy would help to ensure that thought was given at all times to activities being communicated in a positive manner and that it was joined up. A moderate campaign to promote diversity and inclusion could also be undertaken and it could be assisted by the promotional work already produced by TMP, the consultants commissioned under the auspices of the Establishment Committee to advertise the City Corporation as a good place to work for all.
26. As mentioned in paragraph 12 above, an individual's first impression of the City Corporation was likely to be gleaned from attendance at one of its many hosted events. The 'look and feel' of events was therefore important. The Working Party is proposing that, where the City Corporation has discretion to influence guest lists it should and that the Hospitality Working Party (HWP) should be requested to review the procedures for finalising guest lists for events to ensure that diversity was considered. HWP should also be asked to consider whether it was possible to establish a mechanism of monitoring to measure the effectiveness of guest list procedures.
27. It should be noted that in terms of external representation, the MDWP also questioned whether the City Corporation should participate on all male panels, in-line with many businesses who ban staff from participating. The two clear benefits of this are (1) the Corporation receives significant number of invitations, and so could start to improve the diversity of representation of the organisations which invite us to speak; and (2) this would have significant benefits in terms of the Corporation's own reputation. It was therefore agreed to recommend that Officers and Members when representing the

Corporation should not accept invitations to appear on all-male panels when speaking at events. In terms of all-white and all-female panels, it was recommended that Officers and Members give strong consideration to declining but could exercise discretion, particularly if the invitation was to an individual who would assist in shifting the balance, e.g. the current Chair of Policy. It was noted that in practice, a phone call to organisers to explain the situation was likely to result in consideration being given to a change of panel to permit City representative attendance.

Equality Impact Assessment

28. The Public Sector Equality Duty (PSED) requires public authorities, when exercising their functions, to have 'due regard' to the need to:-
- Eliminate discrimination, harassment and victimisation
 - Advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - Foster good relations between people who share a protected characteristic and those who do not.
29. An Equality Impact Assessment (EIA) has been undertaken on the proposals contained in this report. In terms of sex (gender), current data shows that this is an area that needs to be developed urgently. Setting a target to increase female representation will have a positive impact on this group and encourage more gender balanced committees. There is also a distinct need to work with underrepresented racial groups, therefore, the proposed target to increase the number of BAME groups will be a welcomed intervention with a positive impact.
30. Notwithstanding the fact that in time more will need to be done with other protected characteristics, in general, the assessment concluded that the proposals contained in this report had the potential to improve diversity. A copy of the EIA is available on request.

Conclusion

31. Efforts have been made to publicise and promote the work of the City Corporation in order to encourage people standing for election to Common Council from a range of backgrounds in the last three years. Improving diversity nevertheless continues to be an important area of work which the Policy Committee has acknowledged and is keen to see more being done to further improve the situation. The Working Party was therefore been created to add focus to this area of work and to report back to the Grand Committee with recommendations on activities/initiatives which might assist in enhance the work already undertaken.
32. As directed, the MDWP has considered a number of possible actions which might further improve the current situation. The details of the proposed activities are set out in Appendix B of this report. The MDWP is seeking the Committee's approval of all its 20 recommendations.

Appendices

- **Appendix A** – Analysis of female Members on Committees
- **Appendix B** – Schedule of Proposed Actions
- **Appendix C** – Table of data and comparable targets

Background Papers:-

- Appointment of Sub Committees, Working Parties and Representatives on Other Committees – Report 3 May 2018
- Increasing Diversity in the Court of Common Council – Update Report 8 June 2017
- Summary LGIU and Fawcett Society 'Women in Local Government' Report 2017
- Equality Impact Assessment – December 2018

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