

<b>Committee:</b>	<b>Date:</b>
Policy and Resources Committee	14 March 2019
<b>Subject:</b> Review of Housing Governance	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>

## **Summary**

The question of the City Corporation's housing governance has been raised on several occasions over the recent period. This has necessarily included discussion as to the arrangements associated with the Barbican Residential Committee, following an expression of concern by the Standards Committee in relation to the potential perception of conflicts of interest associated with resident Members serving on the Committee.

The Policy & Resources Committee considered an initial report at its July 2018 meeting intended to open discussion, which set out the current structures in place around housing governance, the various issues which Members and Committees had raised concerning the existing arrangements, and presented an initial outline of some potential options which could be taken in respect of a future direction. Your Committee expressed a desire to consult with and receive the views of those Committees or Sub-Committees which would be affected by any change to the existing structures, so as to ensure that any decision to be made with regard to a prospective direction of travel was taken on an informed basis.

The views of the Property Investment Board, Community & Children's Services Committee, Barbican Residential Committee, and Housing & Almshouses Management Sub-Committee were consequently sought. The extracts from the minutes of those discussions are set out as appendices to this report to aid discussion and a summary of their discussions is outlined in the report. In addition, the Standards Committee has, effective 1 March 2019, established a new [Dispensations Regime](#) with associated guidance, intended to provide clarity on arrangements on speaking and voting at meetings. This is being presented to the Court of Common Council on 7 March 2019 and it is hoped that this will also assist in managing any conflicts or associated perceptions thereof.

### **Recommendation**

Members are asked to consider the current position in respect of housing governance arrangements and determine whether any further action should be pursued at this time in respect of existing 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.
5. The existing arrangements have worked well since that time in respect of the Housing Management & Almshouses 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 more frequently than this, given the volume of work) and reports to the Community & Children's Services Committee. The Director of Community & Children's Services has confirmed that he is content with the existing arrangements in respect of this 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. At various points over the years, Members have discussed and rejected suggestions for the amalgamation of the two areas, particularly with regard to the wishes of 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.
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.

#### **Current Position and Standards Committee Concerns**

9. Whilst all parties seem to be content with the operation of the City Corporation's other housing management bodies and processes, the City Corporation's 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. Reference has also been made at other meetings to this perception.

10. 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.
11. However, some concerns had been expressed about the number of dispensations that have previously been applied for by the resident Members of the Barbican Residential Committee, and resident Members had also highlighted the implications which they felt the previous dispensations regime had on their ability to fully represent residents' interests.
12. There had 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 residents 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 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. Notwithstanding these safeguards, however, it was 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.

**Current Composition: Barbican Residential Committee**

16. The composition of the Barbican Residential Committee has, for many years, been such that there are nine resident Members: three from Aldersgate Ward and six from Cripplegate Ward (three from each side of that Ward).

17. When the Committee first included resident Members (initially, resident Members were excluded), Aldersgate as a Ward was represented by six elected Members, with Cripplegate represented by twelve Members. The representation on the Committee from those Wards was, therefore, half the elected Members. The Aldermen for the two Wards are not traditionally appointed to serve.
18. Following the reduction in the number of Common Councilmen from 130 to 100 during the latter part of the twentieth century, as well as the 2013 Ward Boundary Review, Aldersgate representation has changed to six Members and Cripplegate to eight Members. The composition of the Barbican Residential Committee did not alter with either change in the number of Ward Members.
19. Although the non-resident members (when all vacancies are filled) form a majority of the Committee, resident Members arguably have a greater interest in the Committee's business and have tended to be more regular attenders. As a consequence, they are sometimes a majority of the Members present at a meeting. This adds to the sentiment (whether right or wrong) expressed by the Standards Committee that resident Members might be perceived to have an undue influence or dominate the Committee.
20. 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). 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.
21. As a consequence, it was suggested that it was in danger of either failing to establish or failing to maintain a quorum at its quarterly meetings. One meeting during 2017/18 failed to achieve a quorum, with two meetings in 2018/19 similarly being inquorate.

### **Options and Committee Views**

22. The report to the Policy & Resources Committee outlined five potential options in relation to future arrangements, in summary:
  - (i) Maintain the status quo.
  - (ii) Disband the Barbican Residential Committee and transfer its responsibilities to the Community & Children's Services Committee.
  - (iii) Disband the committee and transfer its responsibilities to the Property Investment Board.
  - (iv) Reconfigure the Barbican Residential Committee.
  - (v) Establish a new, non-Ward based Housing Committee.
23. The rationale for each of these options is contained within the original report to committee, [available here](#).
24. These options have been reviewed by the various consulted committees and the notes of their discussions are appended to this report to aid consideration. A summary of the views is as follows:

- i) **Housing Management & Almshouses Sub-Committee:** The Sub-Committee did not support a merger or transfer of responsibilities relating to the Barbican Estate and was particularly concerned that any changes should not compromise the social and welfare services available to the City Corporation's housing tenants. The Sub-Committee stressed the need to retain separate Committees for Barbican and Housing Revenue Account (HRA) / social tenancy matters, although it was suggested that the BRC might benefit from some re-organisation. Members also expressed frustration at the restrictions that the current dispensations regime placed on discussion.
- ii) **Community & Children's Services Committee:** The Committee also expressed concerns in relation to the restrictions that the current dispensations regime placed on discussions and noted its sub-committee's views on this issue. Members were opposed to the creation of any new Housing Committee and also questioned the need for any reform to the Barbican Residential Committee, suggesting that the current issues could be resolved by working more diligently to encourage non-residential Members to serve on that Committee.
- iii) **Property Investment Board (PIB):** The Board was clear that it was not supportive of any proposal to transfer responsibilities for the Barbican Estate to PIB, suggesting that it would not be productive to divert the focus of the Property Investment Board away from its current role, given the importance to the City Corporation of income generation through property. Management of the Barbican Estate would represent the addition of a large and distinct area of responsibility to the Property Investment Board's work and careful thought would need to be given as to how this would be handled, as it would likely require either the length or frequency of meetings to be increased. Consideration would need to be given to the composition of the Board and the way in which it operates, how it would liaise with residents appropriately, and whether provision should be made for residential Members to have representation or not. Such a transfer of responsibilities would not, therefore, be in the interests of either residents nor the City Corporation.

It was suggested that the appointment of external Members or advisors, with expertise relating to the management of large estates, might be beneficial to the Barbican Residential Committee and mitigate against some of the concerns raised, as well as being of benefit to residents.

- iv) **Residents' Consultation Committee (RCC):** The RCC was opposed to any changes to the current structure and operation of the Barbican Residential Committee, observing that the existing arrangements worked well in allowing residents' views to be represented and that any transfer of powers or reduction to the number of residential representatives would dilute residents' voice in discussions. It was noted that multiple vacancies were carried regularly on other committees, such as the Community & Children's Services Committee, and it was urged that a previous commitment by the City Corporation to provide a dedicated Committee should be honoured.
- v) **Barbican Residential Committee (BRC):** The BRC had previously discussed the matter of Housing Governance at length at an informal meeting, directly before the meeting at which they considered the matter formally (and which minutes are

appended to this report). It was unanimously agreed that the BRC should be retained as a Grand Committee. There was also a minority view that the number of residential Members appointed to the Committee could be decreased from nine to six, but only in the event that changes to the Committee were pursued.

### **Outcomes**

25. Housing Governance Arrangements: It is clear that there is no widespread support amongst existing committees for any substantive changes to the housing governance arrangements more generally, which were felt to work well. The various committees were all opposed to the transfer of responsibilities from the BRC to other bodies and none expressed any significant concerns in relation to the current operation of that Committee.
26. The argument was also put strongly by a significant number of Members that it would not be in the interests of good governance to fundamentally disrupt or alter existing housing governance structures wholesale, solely to satisfy any concerns there may be about the BRC. It is, therefore, apparent that concerns are limited solely to the BRC and that there is insufficient justification to support a fundamental review of housing governance more widely.
27. Barbican Residential Committee: A number of suggestions for minor changes to the BRC were made, such as the appointment of independent persons with relevant expertise, and more concerted efforts in encouraging non-resident Members to serve
28. Since that time, two non-resident Members have joined the Committee, which offsets some of the outstanding concerns in relation to membership and mitigates to an extent against the risk of meetings failing to achieve a quorum. The annual appointments to committees is also due to take place in April.
29. A suggestion was made in some quarters in respect of an alteration to the number of resident Members. For instance, to decrease the number of residential appointments from nine to six, perhaps on the basis of three appointments each from Aldersgate and Cripplegate, whilst further limiting non-residential appointments to those who neither lived in nor represented the Wards, would add further safeguards and could offset the perception of undue influence from residential Members. It should be noted, however, that this was not supported by the BRC or RCC, with it being a minority view.
30. It should be noted that, should the Committee wish to pursue any such changes to the Barbican Residential Committee, it is likely that that the Residents' Consultation Committee and Barbican Association, as interested stakeholders, would have a substantive legitimate expectation that they would be consulted as to any prospective changes to existing arrangements. The City Corporation would therefore be under a duty to do so, once any proposals reached a formative stage.
31. Dispensations: The matter of the dispensations regime was also raised on multiple occasions, with it apparent that the highlighted concerns around the operation of the BRC were often conflated with concerns in relation to that regime. Members were, consequently, anxious for further clarity around the new arrangements to come into effect. A new policy having been introduced, it is hoped that this will assist further in mitigating against any perception of conflict.

32. Members may consider it prudent to monitor the implementation of the new regime to determine whether it resolves potential concerns, before considering further steps.
33. On this basis, it is suggested that the Committee may wish to decide against seeking any amendments at this stage, choosing instead to monitor the implementation of the new policy and its impact on the BRC.

#### **Conclusion**

34. 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 in respect of existing arrangements.

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**MINUTE EXTRACTS: COMMUNITY & CHILDREN'S SERVICES COMMITTEE**

**REVIEW OF HOUSING GOVERNANCE**

The Deputy Chairman took the Chair for this item, as the Chairman had not been granted a dispensation to speak on this matter.

Members considered a report of the Town Clerk in respect of Housing Governance, which sought the Committee's views and any potential amendments which might be made, particularly in relation to the future of the Barbican Residential Committee, and the impact that any changes might have on the remit and activities of the Community and Children's Services Committee.

The Deputy Chairman read a statement setting out the Chairman's views on any potential changes, strongly opposing any proposal to create a new Housing Committee and expressing frustration at not being able to present his views directly to the Committee. This view was shared by Members. The Chairman of the Housing Management and Almshouses Sub-Committee stated that any changes would have to show a neutral or positive impact on the work of the sub-committee. A further view was expressed in that that there was nothing wrong with the present governance arrangements; all that was needed was a way of encouraging non-residents to join the Barbican Residential Committee.

RESOLVED, That - the report and views, as outlined above, be noted.



**MINUTE EXTRACT: HOUSING MANAGEMENT & ALMSHOUSES SUB-COMMITTEE**

**REVIEW OF HOUSING GOVERNANCE**

Members considered a report of the Town Clerk in respect of Housing Governance and noted the comments raised at previous Committees, who would also be affected by the review. The Chairman advised that he would be seeking the views of those Members who had not been granted dispensations, and would ask the Chairman (of the Policy and Resources Committee) if he could address the Committee and share their views.

The following comments were made in respect of options (i) and (v) as set out in the report:

- I. The debate warranted further exploration by all Members, at the Informal Meeting of the Court of Common Council in November, before a final decision could be taken.
- II. The Barbican Estate needed separate representation from the HRA Committee/Sub Committee. Whilst it was accepted that the BRC might need some re-organisation, subject to further debate, it would not require a merger with another Committee. Members noted the City Corporation's undertaking to Barbican Residents that they would always have their own Committee.
- III. Under the BRC's current Constitution, resident Members can be granted dispensations to speak but not vote. However, their right to speak could affect decisions taken by non-resident Members with voting rights. The recent outcome of dispensation requests had resulted in Members not being able to speak and concerns that this could potentially disenfranchise residents.
- IV. It was suggested that the report could have been more detailed in respect of the work undertaken by each of the Committees, drawing out the differences and similarities. Members noted the main difference in that the HRA Committee/Sub Committees were mainly concerned with policies affecting the wellbeing of residents; whereby the BRC, being almost entirely Leaseholders, was more property focussed.
- V. The Chairman felt strongly, and Members agreed, that any change should not decrease the quality or level of social and welfare services to the City Corporation's Social Housing Tenants; it should have either a neutral or improved outcome.
- VI. Whilst noting a potential advantage on the property side, which might arise from linking the Committees, Members agreed that there would be no discernible advantage in breaking the link between the Housing Management and Almshouses Sub Committee and the synergy offered by the Community and Children's Services Committee.

RESOLVED, that – the above views be reported to the Policy and Resources Committee, noting particularly:

1. Any outcome to the Housing Governance Review should not compromise the social and welfare services available to the City Corporation's housing tenants.
2. The need to retain separate Committees for Barbican and HRA/Social tenancy matters; whilst accepting that the BRC might need some re-organisation.
3. The Sub Committees suggestion to continue this debate at an Informal Meeting of the Court of Common Council, before the Policy and Resources Committee take a final decision.
4. The Chairman to seek the permission of the Chairman (of the Policy and Resources Committee) to address the Committee when they take a decision on Housing Governance; reflecting the views of those Members who were not granted a dispensation to speak at today's meeting of the Housing Management and Almshouses Sub Committee.

**MINUTE EXTRACT: PROPERTY INVESTMENT BOARD**

**REVIEW OF HOUSING GOVERNANCE**

The Board considered a Report of the Town Clerk concerning housing governance.

Members were of view that PIB assuming responsibility for housing governance would be suboptimal and liable to considerably shift the focus of PIB. However, Members did request the City Surveyor's department continue to advise BRC going forward.

A Member suggested that, ultimately, officers need to work this through and recommend a corporate stance. He encouraged the Corporation to appoint independent Members with professional housing expertise on to the Committee as part of the solution.

RESOLVED – that the Board rejected the option to assume responsibility for housing governance.

**MINUTE EXTRACT: BARBICAN RESIDENTIAL COMMITTEE**

**HOUSING GOVERNANCE REVIEW**

Members considered a report of the Town Clerk in respect of a review of Housing Governance at the City of London Corporation. Members had debated this matter at length at an informal meeting directly before this inquorate and agreed that - the existing Barbican Residential Committee be retained as a standalone Grand Committee, reducing the number of resident Members to six, two from Aldersgate and two from each side of Cripplegate, retaining the number of non-residents at 11.

Note: the view to retain the BRC was unanimous; reduction of the number of resident Member numbers was a small minority view.

As this meeting was inquorate, this decision would be taken by the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Barbican Residential Committee, under Urgency Provision.

**MINUTE EXTRACT: RESIDENTS CONSULTATION COMMITTEE**

**REVIEW OF HOUSING GOVERNANCE**

Members received a report of the Town Clerk in respect of the City Corporation's Housing Governance. Members noted that the Policy and Resources Committee had considered an initial report at its July 2018 meeting, which had opened the discussion. This report sought the view of the Barbican Residents' Consultation Committee as to the future of the Barbican Residential Committee and any potential amendments that might be made.

Members were invited to give their views and, whilst some of these were representative of their House Groups, some felt that they had not been given long enough to consult as the paper had been circulated after the main RCC pack.

A Member from Aldersgate was in attendance and, with the permission of the Chairman, addressed the Committee and encouraged Members to share their views on all the options in the report; i.e. the five potential options in relation to future arrangements, which was reported to the Policy & Resources Committee in the Summer, and their views on the options which had emerged from the Chairman's discussions with interested parties.

The Deputy Chairman of the Barbican Residential Committee was in attendance and set the context by explaining the background and circumstances which had led to this report; i.e. the BRC was carrying a number of non-resident vacancies which were proving difficult to fill, and meetings were at risk of being inquorate. The recent debate on Car Park Charges and the rigid adherence to dispensations had highlighted the issues currently faced by the BRC.

During the discussion, the following points were noted:

- Could proxy voting at Committee meetings be introduced in order to avoid the risk of being inquorate?
- The difficulty in recruiting to the Committee might arise from a lack of interest in residents' issues, as the Community and Children's Services Committee also carried vacancies. This gave rise to implications for succession planning and finding individuals willing to stand as Chairman or Deputy Chairman.
- There was a strong reluctance to disbanding the BRC as the current arrangements work well for residents, although Members do not act unfairly. Instead, Members detailed knowledge of the Estate is often of great assistance in taking the best decision.
- There was, however, strong support for the status quo (option i), with a possible tweaking of Membership numbers to reduce the risk of being inquorate. Of the five options set out in the report, Members were not in favour of:
  - (ii) Disbanding the Barbican Residential Committee and transferring its responsibilities to the Community & Children's Services Committee as this would overload the Committee, which was heavily engaged on HRA matters.

- (iii) Disbanding the BRC and transferring its responsibilities to the Property Investment Board was inappropriate, given this Committee's asset focus and lack of housing expertise.

Members generally felt that comments (iv) Reconfigure the Barbican Residential Committee, particularly if on a large scale and (v) Establish a new, non-Ward based Housing Committee were not desirable.

Members felt that the Code of Conduct in respect of pecuniary interests and the rigidity around dispensations inhibited the resident members. Members also felt that the Committee needed the current level of resident Members to represent constituents and take forward lobbying. There was a further view in that, if the number of resident Members were to reduce, then the non-residents should do likewise, reducing the quorum to 3 (i.e. a third of the non-resident Members).

However, given the clear agreement that the BRC should be retained. If the price was some reduction in resident members that was preferable to the other suggestions.

Further, it was suggested that the advantage of reducing the number of non-resident Members was that it would address the long-standing vacancies on this committee that are highlighted above. However, a concern was expressed that, in the event of a number of apologies for a meeting, decision making powers would then lie with a very small group of non-residents.

It was noted that the continued existence of the BRC, with an RCC to garner residents' views, was a fundamental part of the vote that took place some years ago regarding the management of the Barbican estate. As such, residents expected the City to continue to honour the commitments made at that time.

Finally, the Town Clerk advised Members of the arrangements for the BRC meeting next Monday whereby the formal BRC would start at 2.30pm but Members would hold an informal discussion in public, on the Housing Governance Review, at 1.45pm.