



Property Investment Board

Date: WEDNESDAY, 12 SEPTEMBER 2018
Time: 8.30 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

5. **REQUEST FOR FUNDS TO APPOINT EXTERNAL CONSULTANT FOR AN ENVIRONMENTAL STRATEGY**
Report of the City Surveyor.

For Decision
(Pages 1 - 6)

6. **REVIEW OF HOUSING GOVERNANCE**
Report of the Town Clerk.

For Decision
(Pages 7 - 20)

20. **CITY FUND: 1 LEADENHALL STREET – GRANT OF NEW GROUND LEASE**
Report of the City Surveyor.

For Decision
(Pages 21 - 32)

24. **BRIDGE HOUSE ESTATES: COLECHURCH HOUSE – UPDATE ON SALE AGREEMENT**
Report of the City Surveyor.

For Information
(Pages 33 - 40)

Item received too late for circulation in conjunction with the Agenda.

John Barradell
Town Clerk and Chief Executive

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Committee(s) Property Investment Board – For decision	Date: 12th September 2018
Subject: All Funds – Request for Funds to Appoint External Consultant for an Environmental Strategy	Public
Report of: The City Surveyor (CS.380/18)	For Decision
Report author: Corporate Energy Manager	

Summary

This paper outlines proposed steps to understand, measure and optimise sustainable building performance across the City of London Investment portfolio with specific regard to:

- Understanding cost, compliance, reputational risks and opportunities relating to the investment estate associated with sustainability performance.
- Understanding the Investment portfolio present performance and peer context in respect of sustainable building certification such as BREEAM and SKA.
- Identifying a strategy with actions to deliver commercially sound, environmentally sustainable performance.

Recommendation

Members are asked to:

- Agree to the commissioning of a specialist sustainability consultant to identify a strategy for measuring and optimising environmental performance in a commercial property context at an estimated cost of £55,000.
- Note, as the City Surveyor has no funds available to cover the cost of the work, should Members wish to proceed the City Surveyor will need to make a bid for funding from the Transformation Fund to cover the cost of the work.

Main Report

Background

1. The commercial implications of the sustainability agenda have been growing in the UK commercial property market for some years in terms of both compliance requirements and voluntary reporting. This has been manifested through more stringent environmental legislation such as the EU Energy Performance of Buildings Directive and Minimum Energy Efficiency Standards (MEES), which now represent an embodied element of commercial property management. This represents a step change in legislative impacts in that non-compliance can now affect an organisations ability to trade rather than simply increasing operating costs or administrative compliance. In addition, industry bodies such as the British Property Federation, Better Buildings Partnership and the UK Green Buildings Council are defining best practice and thereby re-defining market expectation in this area in terms of both landlord and occupier groups. Given the context of recent acceleration of energy price increases and the adoption of the City's new Responsible Business Strategy it is a timely opportunity to review the property investment portfolio sustainability policy, having regard to our peer group of other major property funds.
2. With regard to the evolution of the sustainable buildings market and changes in tenant expectation more broadly, it is also a timely opportunity to review the sustainability strategy for the City Corporation's investment portfolio.

Options

3. To provide a commercial view on present performance, risks, opportunities and a recommended strategy we have considered two delivery routes.
 - i. **Obtain additional consultancy support (Recommended):** Draw on the expert resources of a sustainability consultant to bring their independent market view

Advantages: Specialist expertise, rapid mobilisation, market knowledge

Disadvantages: Cost of fees

- ii. **Deliver in-house:** While the City has sustainability professionals within the energy team, procurement and built environment, spare capacity of these resources is very limited, as is the current expert knowledge available to deliver this specialist strategy.

Advantages: No additional cost

Disadvantages: Insufficient resource to deliver

4. We recommend this Committee approves Option i - Consultancy support to ensure a rapid mobilisation and draw on wider market experience. An outline scope is given below.

Proposals

5. This paper proposes the commission of a specialist sustainability consultant to identify a strategy for measuring and optimising environmental performance in a commercial property context, specifically:

Phase 1 – Identification and positioning

- Meet and engage with main stakeholders and understand estate profile, existing progress, constraints and develop a strategy.
- Undertake a high-level review of the Corporation's Investment Property Portfolio to establish where material risk and opportunity lies, e.g. occupation / tenancy type / refit / lease renewal.
- Identify tenant expectation and risk transfer relating to the Investment Property portfolio, particularly with respect to Green Lease and Minimum Energy Performance Standards.
- Investigate the potential impact of adopting a higher sustainability standard with regards to rental income and capital invested and the consequent influence on returns. i.e. whether higher standards generate enhanced rents and performance, or whether it dilutes the return on capital investment.
- From this identify a peer group and industry comparator for the City to allow a fair comparison of sustainability performance against policy position and appropriate industry metrics.

Phase 2 – Strategy

- Undertake a market review to include compliance issues such as Minimum Energy Efficiency Standards (MEES), revised planning requirements and tenant expectation and the potential impacts this will have for the City.
- Identify appropriate standards – BREEAM, SKA, LEED, WELL etc with relevant performance levels for the City to consider whether PIB should adopt them as a performance standard (some of these standards already exist within some departments).
- Review the present and future requirements for a Green Lease option or Memorandum of Understanding with Corporation tenants. In particular to understand potential impacts on resources, risk and marketability.
- Identify principal requirement for standardised procedural and technical specifications to support the delivery of these standards, e.g. cooling, lighting, control.
- Provide an indication of any potential implications for capital, revenue, yield, income and officer resource with a simple mobilisation plan.

Output: A paper identifying principal risks and opportunities with an action plan.

Corporate & Strategic Implications

6. This review would support the work currently being undertaken across the City to strengthen our commitment to sustainability. Building on existing strategies designed to minimise the City's environmental impact, such as the Responsible

Procurement Strategy and the most recent Renewable Electricity Policy and Sourcing Strategy. It would also compliment the new Responsible Business Strategy 2018-23: Towards a Sustainable Future and emerging Climate Action Strategy which is being developed by the City of London Corporation on behalf of all businesses in the Square Mile.

Implications

7. This work will identify the City's recommended strategy to sustainable building development across the Investment Property Portfolio. It will identify the impact on rents (if any) and on returns (positive and or negative) of additional sustainability standards. Following an engagement exercise and analysis, a paper will be produced outlining approach and priority actions required. We anticipate the delivery of a draft report within 16 weeks of funding approval and following a mini-tender exercise.
8. Sustainable specifications identified in phase 2 would have the potential to provide:
 - Reduce operating costs (energy, waste water)
 - Improve life cycle costs (maintenance, disposal replacement)
 - Improve working environments (productivity, tenant satisfaction and well being)
 - Reduce asset risk, (resulting from non-compliance with MEES legislation)
9. The sustainability expert would require broad property market experience to provide context, peer positioning and a strategy to allow the City to protect its reputation and commercial interests in relation to sustainability. Estimated costs reflect this level of necessary expertise and are estimated as follows:

Value for money & affordability

10. In developing the strategy, the issues of affordability versus maximising performance and rent, together with value for money will be important in selecting the appropriate standards and should be viewed in the context of achieving of both environmental performance and short and long-term financial metrics. Any strategy needs to be considered in the context of the financial performance metrics which are required to be met on all refurbishment and redevelopment projects across the investment property portfolio. Industry accepted environmental standards should be considered as an alternative, and indeed are currently being implemented on all Investment Property projects in accordance with planning requirements, particularly where the cost implications of implementing any enhanced environmental standards demonstrate that the financial performance of any project would not meet the agreed metrics.

Phase 1. Identification and positioning; - £15k

Phase 2. Strategy: - £40k

Conclusion

11. We propose to review the City's peer position on sustainability in respect of the Investment Property portfolio. The output, if required, will identify an action plan to deliver the practical implementation of an ongoing commercially practicable model for sustainable buildings, which would be implemented on a case by case basis depending on the financial performance metrics for any proposal. This will identify future cost and reputational risks and provide the basis for a mitigation plan, not doing so would potentially expose the City to an unknown risk profile.

Background

A similar paper has recently been submitted to CASC with respect to the operational portfolio and there may be synergies and cost savings in co-commissioning a strategy report should both approaches be endorsed.

Author: Corporate Energy Manager

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Committee:	Date:
Property Investment Board	12 September 2018
Subject:	Public
Review of Housing Governance	
Report of:	For Decision
Town Clerk	

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 (appended for information) 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. The Policy & Resources Committee expressed a desire to consult with and receive the views of those Committees which would be affected by any change to the existing structures, so as to ensure that any decision to be made in due course is taken on an informed basis.

As one of those potentially affected Committees, the views of the Property Investment Board are now sought as to the various options outlined in the report.

Recommendation

The view of the Property Investment Board is sought as to the future of the City Corporation's housing governance and any potential amendments that might be made.

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. 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.
2. Ultimately, the decision was made to create a standalone Housing Sub-Committee, dedicated to the management of the City's eleven (non-

Barbican) housing estates, designed give focused attention to engagement with residents. The City of London Almshouse Trust was also subsumed and merged with this new Housing Sub-Committee (to create the Housing Management and Almshouses Sub-Committee).

3. The Barbican Residential Committee was retained as a discrete grand committee, with responsibility for oversight of the management of the Barbican 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.
4. 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.
5. 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.
6. 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.
7. However, some concerns have been expressed about the number of dispensations that have been applied for by the resident Members of the Barbican Residential Committee, and resident Members have also highlighted the implications which they feel the dispensations regime has on their ability to fully represent residents' interests.

Current Composition

8. 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).
9. 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 traditionally are not appointed to serve.

10. 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.
11. 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.

Options

12. 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.
13. Within each these options, there are of course a range of issues which would need to be considered. For instance, there would need to remain a clear delineation and separation between the management of the Barbican Estate and the City Corporation's Social Housing Estates, given the requirements around the management of Housing Revenue Accounts monies.
14. This report does not advance arguments for any of these options, each of which (to a greater or lesser degree) could be argued to have advantages and disadvantages. These issues will be captured together with the comments of relevant Committees following consultation.

Option (iii): Transfer of Responsibilities to the Property Investment Board

15. One of the potential options suggested was that responsibility for managing the Barbican Estate transfer to the Property Investment Board.

16. This is on the basis that 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.
17. It has also been suggested that management by a Committee comprising of non-residents (such as the Property Investment Board), with appropriate consultation mechanisms with residents in place, might enable the Estate to be managed more efficiently, for instance, through the appointment of suitable individuals with expertise and experience of managing large Estates, as well as providing an outside perspective.
18. It has been suggested that it is suggested that it is unusual to have a separate grand committee (or equivalent) specifically dedicated to the management of a single private housing estate such as the Barbican. However, there are particular special circumstances in relation to the Barbican Estate. Its size is such that it houses a very significant proportion of the City's resident population, far in excess (in terms of proportion of residents) than would normally be seen with lone estates in other areas. Decisions relating to that Estate therefore have a particularly significant impact on a large proportion of the City's population, which should be borne in mind.
19. It is questionable whether it would 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.
20. Whilst there are a very small number of directly-managed buildings comprising of flats within PIB's investment portfolio, there is nothing on the scale of the Barbican Estate and therefore the current reporting arrangements are likely to be insufficient. It is also questionable as to whether the Property Investment Board's current composition and focus on commercial property development, purchase, lettings and sale would leave it best positioned to make relevant decisions.
21. The City Surveyor has advised that he would not be in favour of such a transfer of responsibilities, noting that the management of the Barbican Estate would be highly resource intensive. The focus and skill-base for fund managers within his department is geared to deliver strong performance to maximise commercial income to the City Corporation.

Detracting from this and the focus of the Property Investment Board would not be in the interest of the City Corporation. It was also suggested that the Corporate Asset Sub-Committee, with its focus on operational property, might be a more appropriate forum than PIB for such a transfer of responsibilities, although that body's status as a sub-committee could present additional complications.

22. A number of Barbican residents, including the Chairman of the Barbican Association, have also written to express their firm view that they would consider the Property Investment Board to be an inappropriate overseer of a residential area, given the differing characteristics of commercial and residential property and the focus of the Board.

Conclusion

23. The Property Investment Board's views are sought as to the various options set out in paragraph 12 and the appended report, specifically, Option (iii) and the potential transfer of responsibilities to the Property Investment Board.

Appendices

- Appendix A – Report to Policy & Resources, July 2018

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Committee:	Date:
Policy and Resources Committee	5 July 2018
Subject:	Public
Review of Housing Governance	
Report of:	For Decision
Town Clerk	
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

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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.**

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