

<b>Committee:</b> Resource Allocation Sub-Committee Policy & Resources Committee	<b>Date:</b> 18 September 2020 24 September 2020
<b>Subject:</b> Governance Review	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>

### Summary

In September 2019, the Policy and Resources Committee proposed the undertaking of a comprehensive Governance Review of the City Corporation.

This proposal, endorsed by the Court of Common Council, recognised that because of the unique and historic nature of the City Corporation it requires good governance to ensure it functions effectively and to the highest possible standards.

The Committee was conscious that some potentially contentious issues needed to be addressed and that some radical changes may need to be considered. It was, therefore, agreed that the review should be undertaken independently and Robert Rodgers, The Lord Lisvane, was appointed to conduct the Review, due to his significant expertise and experience.

He was encouraged to take a comprehensive and critical “warts and all” look at the totality of the Corporation’s arrangements, without fear or favour, and he has now submitted his findings (attached at Appendix 1).

Lord Lisvane’s independent report is detailed and contains more than 90 specific recommendations, together with wider commentary and analysis. These recommendations are far reaching and wide ranging; it is now for Members to consider how far they are appropriate and which should be taken forward. The recommendations are not all contingent upon each other and thus do not represent a “single package”: Members will have the option to consider which recommendations (and to what extent) are implemented, and timescales for this.

It will be important to go through the Review in a structured and methodical way in the coming period, with Members afforded sufficient time to read and consider the content and implications. This paper, therefore, seeks Members’ consideration as to a proposed approach for deliberating and reviewing these proposals, rather than on the specific content of the Governance Review (which will be debated in the coming period). It will also be of the utmost importance to ensure that the process moving forward provides adequately for all Members of the Court to continue to have the opportunity to input and comment on the Review.

It should be noted that the Governance Review was also asked to take into consideration, various other reviews into aspects of the Corporation’s activities (such as education, support for the financial and professional services sector, and its internal structures).

## **Recommendations**

It is recommended that:-

- Lord Lisvane's Governance Review report be received;
- consideration be given to the next phase of the process, including wider Member consultation, as set out at paragraphs 8-18 of this report, with the Resource Allocation Sub-Committee being asked to go through the report in detail; and,
- formal thanks be placed on record to Lord Lisvane for his efforts in conducting the Review.

## **Main Report**

### **Background**

1. At its meeting on 14 March 2019, the Policy and Resources Committee agreed to a fundamental review (FR) of the allocation of the City of London Corporation's resources being undertaken. The purpose of the review was to ascertain how resources are currently being allocated against our Corporate Plan priorities and to ensure that:-
  - spending was being undertaken in accordance with agreed priorities;
  - the City Corporation's financial plans were sustainable in the medium term;
  - action was being taken to mitigate any risks which might be associated with Government's desire for public bodies to focus on need and its plans to change current funding mechanisms to reflect this; and
  - the City Corporation remains fit for purpose in the wake of, amongst other things, Government's forthcoming spending review, fair funding review, reforms to business rate retention and a police formula funding review.
2. The nature of the organisation's funding and service provision is diverse and good governance is essential to ensure that it is functioning effectively and remains fit for purpose. Supporting its governance structures incurs a significant part of the Corporation's expenditure. Furthermore, any changes proposed through the Fundamental Review were likely to have implications for governance. Therefore, a number of Members suggested that a review of governance arrangements should be undertaken in parallel with the FR.
3. There was also a range of wider activity underway which played into the same piece, looking at how the City Corporation might improve the efficiency, diversity, and outcomes of its work across various areas. Its support for the competitiveness agenda, of increasing importance in the current context to support the UK's financial and professional services industries, was also an area where focus could be sharpened and where changes to governance might improve the efficacy of the organisation's activities.
4. This view was supported by the Policy and Resources Committee, as well as its Resource Allocation Sub-Committee (which had been identified as the "reference

sub-committee” for considering the Governance Review matters in the first instance). It was noted that it had been almost nine years since the last comprehensive review of the City Corporation’s governance arrangements was undertaken and, since that time, the number of bodies forming part of the decision making structure had increased to approximately 130 committees, sub-committees and working parties, excluding some of the bi-lateral committee meetings.

5. In reaching their conclusion, Members were of the view that radical changes would need to be considered and that hard choices might need to be made. The difficulties associated with undertaking the review internally were acknowledged and it was, therefore, agreed that any review should be undertaken independently.
6. The Town Clerk was asked to look at the possibility of engaging a suitable individual and, following this process, your Committee supported the appointment of The Lord Lisvane KCB DL (Robert Rogers), as an independent person to undertake the review.
7. The evolution of the Fundamental Review, together with other discrete areas of Review (such as the Tomlinson Review into the City’s education provision, or the Fraser Review into the City’s work in support of competitiveness and the financial and professional services sector), have presented additional areas of consideration which result in implications for the Corporation’s governance. Their recommendations have, therefore, been incorporated so far as possible within Lord Lisvane’s Review.

#### **Proposal / Timetable**

8. Having started work on the Review in 2020 (and, notwithstanding the complications added by the COVID-19 outbreak), Lord Lisvane has now submitted his report for Members’ consideration.
9. As the responsible body for the co-ordination of the City Corporation’s governance, as well as the originators of the Governance Review, the report is now presented to the Policy and Resources Committee for consideration as to how it wishes to take it forward.
10. The report is some 147 pages long and contains more than 90 recommendations. It would, therefore, be impractical to seek to consider the report in a single sitting: quite aside from the question of volume, it is inevitable that there will be various options to explore in some cases, or implications to consider when coming to a view as to the implementation of specific proposals.
11. The various recommendations are, in many cases, not contingent upon each other and it will be for Members to determine which (and to what extent) they wish to accept and implement. There may be some recommendations that could be adopted relatively swiftly, whilst others would either require or benefit from a longer-term implementation.

12. Members will also need to consider the proposals with reference to the context of the Review. As noted within the Review itself, the City Corporation is a highly complex non-party political organisation, active or involved across a diverse range of areas, and with a considerable role in London-wide government. It would be unreasonable, therefore, to expect that every nuance or implication of particular relationships or activities has been made available to Lord Lisvane within the time period of the Review to date. The expertise of Members and others in these areas will, therefore, be of importance in considering the implementation of proposals.
13. Members will, therefore, need time to absorb and consider the various items and deliberate in a structured and thorough fashion.
14. It is, therefore, suggested that the Resource Allocation Sub-Committee, having previously been identified as the reference sub-committee for the Governance Review, be asked to go through the report over the course of a series of meetings in the first instance and consider whether to accept specific recommendations, as well as their implementation. That Sub-Committee has frequent meetings scheduled over the coming period as follows, which will allow several opportunities for the content to be considered and scrutinised:
  - Wednesday 7 October
  - Thursday 22 October
  - Thursday 5 November
  - Friday 20 November
  - Thursday 10 December
15. The Sub-Committee will make recommendations thereon to the Policy and Resources Committee which, in turn, would consider the various recommendations and submit formal proposals to the Court of Common Council.
16. The Governance Review will affect all aspects of the City Corporation's governance and all Members as a consequence. It is, therefore, imperative that any implementation reflects the view of the Court, and it is likely that all Members will have views on particular elements. Their continued input remains integral and incorporating all Members' views within the next steps of the process will be vital in ensuring that the recommendations which are ultimately put to the Court are viable.
17. Given this, as well as the clear interest in the matter, the report has been circulated to all Members and external / co-opted Members of City Corporation Committees. It is suggested that, in the first instance, feedback be sought and collated, and made available to the Resource Allocation Sub-Committee to consider as they deliberate on the report in the coming period.
18. In addition, it is suggested that the informal Court meeting, scheduled for Thursday 12 November, could be utilised as a forum to enable debate on the review and the Sub-Committee's emerging proposals.

19. It may also be of particular benefit to hold additional all-Member sessions, or for the Sub-Committee to invite specific Chairs or Members with relevant interests to attend discussions of certain items or recommendations.
20. It will also be important to provide the Sub-Committee with sufficient discretion and latitude to manage or adjust the consultation or engagement process as it deems appropriate, given the particular circumstances or considerations they will need to make on various issues.
21. Depending on the length of time that the Resource Allocation Sub-Committee feels is necessary to come to its conclusions, recommendations could be made to the Policy and Resources Committee at its meetings on either 19 November or 10 December. This would allow for recommendations to be submitted to the Court of Common Council by January 2021.

### **Strategic Implications and Conclusion**

22. Effective and responsible stewardship of the City Corporation and its resources is fundamental for the organisation to continue to deliver excellent services for all its stakeholders. A review of the governance arrangements will ensure that how the City Corporation governs itself is appropriate, efficient and transparent. It will also enable the organisation to ensure that the best arrangements are in place; that it is operating efficiently, functioning effectively and that remains fit for purpose in the medium to long term.

***Corporate Governance of the  
City of London Corporation***

***Report of a Review by  
The Lord Lisvane KCB DL***

***September 2020***

# TABLE OF CONTENTS

	Paragraph
<b>1. Introduction</b>	
My Review	1
Acknowledgements	7
Independence	10
Interests	11
Nomenclature	17
Method	19
<b>2. The Corporation</b>	
The elements of the governance structure	29
The History	44
My review of these elements	
Wards	47
The Court of Common Council and the Court of Aldermen	50
The Livery	55
<b>3. The City which the Corporation serves</b>	
Demography	59
COVID-19	
The pandemic	66
The effects	69
<b>4. The Corporation's strengths and weaknesses</b>	
<b>Strengths</b>	
Reach and Resonance	81
The Corporation's people	82
The long-term view	85
Convening power	86
Agglomeration ("clustering")	87
Richness of texture	88
<b>Weaknesses</b>	
The perception of the Corporation	91
A lack of corporate endeavour	92
Slow transaction of business	95

Multiplicity of Committees	96
Multiple involvement of Committees	98
Sequencing of Committees	102
Silos	105
A non-party Court	111
The local/national tension	115

## **5. The Court of Common Council and Proceedings**

Number of Common Councillors	116
The Franchise	124
Diversity	129
Pay for Members	142
Pay for Chairs	146

### **Standing Orders of Common Council**

General	147
Standing Orders as they apply to proceedings	148
Going paperless	166

## **6. Competitiveness and Prosperity**

The Fraser Report	178
The present arrangements	180
Current activity	184
Terms of Reference	190
Membership	192
“Chair of Policy and Resources”: title	195
Co-ordinating support for the competitiveness agenda	200
Guildhall and Mansion House	201
Speaking for the City	206
The Lord Mayor	207
The method of appointment	208
The present appraisal process	210
Criticisms	216
The authority of appointment	217
The diversity of the Mayoralty	222
The accessibility of the Mayoralty	225
An alternative approach	228

## **7. Committees**

The system isn’t working	232
--------------------------	-----



<b>General issues</b>	
Are Members non-executives?	234
Committee staffs	236
Committee reports	238
Committee and Court minutes	239
Cancel when necessary	240
Keep to Terms of Reference	242
Limit Sub-Committees	243
Joint meetings	245
Member briefing	246
Chair training and appraisal	248
Handling vacancies	250
Green impact assessments	251
Committee not Ward	253
 <b>Making best use of the talent</b>	
The challenge	254
A Governance and Nominations Committee	256
 <b>Restructuring</b>	
Principles	264
“Grand” and “Service” Committees	266
Size of Committees	267
Ward Committees	270
Multiple membership	273
Service on outside bodies	276
Chair terms	277
Deputy Chairs	278
Chairs-in-waiting	279
Member terms	280
Committee terms of reference	281
Aldermanic seats	283
“Rapporteurs”	286
<b>The new Committee structure</b>	287
 <b>Individual Committees</b>	288ff
 Reference Sub-Committees	378
Delegations	381
 <b>8. Standards and Conduct</b>	
The statutory requirement	386

The experience of the Standards Committee and the conduct regime	395
Dispensations	404
Where does the Corporation stand now?	415
The way forward: principles	416
The way forward: practicalities	422
Other issues	
The Register of Interests	438
Training on standards and conduct matters	440
Member/Officer relations	443
Freemasonry	447

## **9. Devolution and Demerger**

Common problems	454
Governance	454
 The Independent Schools	459
Can the status of the Independent Schools be changed?	463
The Guildhall School of Music And Drama (GSMD)	473
The way forward	484
The Barbican Centre	487
The City of London Police	495
The Police Authority Board	499
Governance recommendations	507
Control of CoLP staff	513
Management processes	521
One size does not fit all	534
 The institutions: other issues	
Finance and friends at Court	538
Conflicts of interest	541
Public and private proceedings	542
Board assessments	544

<b>10. Conclusion</b>	545
Next steps	551

# REPORT

## 1

### *Introduction*

#### *My Review*

1. On 6<sup>th</sup> February 2020 I was formally engaged to undertake an independent review of the City Corporation's governance arrangements.<sup>1</sup>
2. The terms of reference for this review, as agreed by the Policy and Resources Committee in September 2019, were:

*“To review the governance arrangements of the organisation by undertaking a comprehensive examination of the City Corporation's Code of Corporate Governance to ensure that the arrangements are efficient, fair, transparent and accountable.”*

3. The Corporation's Code of Governance, as presented on its website, is not a single document but “a series of regulatory documents and protocols which govern how we operate and take decisions. These procedures are followed to ensure our actions are fair, efficient, transparent and accountable”.
4. There are in fact no fewer than 29 documents falling within this description (which are listed in Appendix A), and during my Review I encountered a number of other documents which I judged significant.
5. I have of course had in mind the agreed terms of reference throughout, but I have been guided by the instruction that my Review should be “comprehensive”; so I have also covered any matters which seemed to me to be important in terms of governance.

---

<sup>1</sup> The title “City of London Corporation” replaced the “Corporation of London” in 2006.

6. I have not dealt with policies; good governance is about effective delivery of agreed policies. But on one subject – climate issues – I have suggested how these might be addressed procedurally.<sup>2</sup>

### ***Acknowledgements***

7. I have much appreciated the enthusiasm with which Members, Officers and others have engaged with my Review, and I am grateful for the extensive help which they have given me. I was especially impressed by the appetite for and the openness to change.
8. The Chief Officers' submissions have generally been made following wide consultation with staff, which is welcome.
9. I have been fortunate indeed to have had the expert assistance of Gregory Moore, Principal Members' Services and Committee Manager, and Emma Lloyd, Policy and Research Officer, both of the Town Clerk and Chief Executive's Office. Their help, in researching issues, tracking down papers and arranging interviews, has been invaluable, and I am very grateful to them both.

### ***Independence***

10. I have been aware of some comment as to whether my Review would be genuinely independent. I have some knowledge of the City, as my declaration of relevant interests shows. But, for the avoidance of doubt, I should say that although I have of course been the recipient of a wide variety of views and advocacy, my recommendations are mine alone. Nobody has marked my card.

### ***Interests***

11. I should record here that I am a Freeman and Skinner, that I was Master of the Skinners' Company 2018-19, and that I lived in the Square Mile for my year as Master. The Company has presentation rights for two pupils at Christ's Hospital, to whose Board of Governors the Corporation appoints up to four members, and where the Corporation funds bursaries. I am a member of the Company's Committee for the Lawrence Atwell Charity, whose activity includes *Awards for Excellence* at five higher education institutions, among which is the Guildhall School of Music and Drama.
12. I am a Trustee and a Board Member of the VOCES8 Foundation, a musical performance and education charity, which is based at the

---

<sup>2</sup> See paragraphs 251 and 252.

Church of St Anne and St Agnes in Gresham Street in the City. Among many donations, the Foundation has received one from the Masonic Charities Foundation in support of its educational work. I had no involvement in that donation.

13. I am an Honorary Bencher of the Middle Temple; the Inn pays Council Tax to the Corporation.

14. I am a former independent Vice-President of the Local Government Association.

15. On Standards matters, I have the benefit of experience as member and Independent Chairman of Standards Committees of a county council, a police authority and a fire and rescue authority. This was under the previous, and more prescriptive, statutory regime introduced under the Local Government Act 2000.

16. In response to a question I have been asked a number of times, I should put on record that I am not a Freemason.

### ***Nomenclature***

17. I note that on 17<sup>th</sup> January 2019 the Policy and Resources Committee (P&RC) agreed that occupants of Chairs might describe themselves as “Chair” rather than “Chairman” but that the default term would remain “Chairman”. I have, however, generally used “Chair” except where the context requires otherwise.

18. I also note that on 14<sup>th</sup> March 2019 the P&RC resolved that “the gender-neutral title of Common Councillor be used in all communications and documents, other than documents intended to have legal effect”.<sup>3</sup> I have therefore followed this practice.

### ***Method***

19. On 28<sup>th</sup> January I wrote to all Members, Chief Officers and other stakeholders seeking their views on the present operation of the Corporation. I asked them especially to identify inefficiencies, duplications and barriers to effective decision-making, and how matters might be improved.

20. I received submissions from the 67 sources listed in Appendix B. Several individuals provided more than one submission.

---

<sup>3</sup> Minute 15, Resolution 2.

21. The COVID-19 pandemic, and the effect of the restrictions which accompanied it, meant that almost all of my Review had to be conducted virtually. I held interviews and discussions with 38 people, some of whom had submitted written evidence, and a number who had not. These are also listed in Appendix B. I also had a considerable number of informal conversations (again, remotely). I joined the Resource Allocation Sub-Committee remotely on 3<sup>rd</sup> July to brief them on the progress of my Review.
22. I observed some 40 meetings of Committees and Sub-Committees via the Corporation's YouTube page.
23. I also reviewed the public working papers of all the Committees and Sub-Committees meeting from March 2019 to June 2020.
24. I have treated all the written submissions and interviews as in confidence. I have quoted occasional statements and phrases, but unattributably.<sup>4</sup>
25. I have avoided recommending changes which would require primary legislation. Some possible changes might be achieved by private bill, but it is likely that some would involve changes to the public general law and would need to be effected by public bill. There are two arguments against such a course.
26. First, securing a place in any government's legislative programme is extremely difficult, and it is unlikely that such legislation would commend itself to the business managers of the day.
27. Second, the scope of a bill determines what proposed amendments to it may be judged to be in order. If such a bill provided for changes in the constitution of the City Corporation, it is possible that unfriendly amendments might be proposed which were within scope but which went far outside the original legislative intention. Despite the undoubted skills of the Remembrancer, there would be a risk of losing control of the legislation, and ending up with a highly unwelcome result.

---

<sup>4</sup> With the exception of the submission from the Establishment Committee. As this was a collective submission I have felt it proper to refer to the views expressed there.

## 2

# The Corporation

28. In this part of my Report I briefly set out the structure and operation of the Corporation. These things may be wearily familiar to many, but for other readers they may provide some helpful context.

### *The elements of the governance structure*

29. The Corporation of the City of London is a corporation by prescription<sup>5</sup>. It is not a local authority but performs many functions similar to “conventional” local authorities elsewhere in the country. The application of primary legislation to the Corporation is always provided for explicitly in statute. The Corporation also discharges a wide range of private and charitable functions.

The City’s **financing** has three sources:

- **The City Fund:** this meets the cost of the City’s local authority, police authority and port health authority work. The Fund generates rental and interest and receives grants from central government in the same way as conventional local authorities, together with a share of business rates and a proportion of council tax (which is very small because of the small residential population). In addition, the City is allowed to retain a small proportion of the business rates paid in the Square Mile (this is known as “the City offset”). Annual City Fund income amounts to £460.48M;<sup>6</sup>
- **City’s Cash:** this is an endowment fund built up over some 800 years, derived from property and investment earnings. It finances the maintenance and conservation of about 11,000 acres of parks and open spaces, the Mayoralty, Smithfield, Billingsgate and Leadenhall Markets, the City’s three independent schools and the Guildhall School of Music and Drama, all at no cost to the public finances. The current value of City’s Cash is £2,669.8M;<sup>7</sup> and

---

<sup>5</sup> By Charter of 1608; a statute of 1690 declared that the Mayor, Commonalty and Citizens should “remain, continue and be and prescribe to be a body corporate and politick in re, facto et nomine”.

<sup>6</sup> 2020/2021 budget figures.

<sup>7</sup> As at 31<sup>st</sup> March 2019.

- **Bridge House Estates:** an ancient charity whose primary object is the maintenance of five of the bridges which cross the Thames into the City<sup>8</sup>, but which also has significant grant-giving powers through the City Bridge Trust.
30. The City has three governance elements: the Court of Common Council, the Court of Aldermen, and the Livery, acting through Common Hall.
31. The **Court of Common Council** has 100 Members, elected every four years<sup>9</sup> on a franchise with two elements: residential and business. I consider the franchise in paragraphs 124 to 128. The great majority of Members, whatever their personal political standpoints, sit as independents. The duty to allocate seats to political groups under the Local Government and Housing Act 1989 does not apply to the Corporation.<sup>10</sup> The 25 Aldermen are also Members of the Court of Common Council.
32. The Court normally meets nine times a year in formal session and is presided over by the Lord Mayor. It conducts the majority of its business through an extraordinarily large number of committees, foremost among which is the Policy and Resources Committee. A list of Committees and related bodies is at Appendix E.) The Chair of Policy and Resources (CPR) has a function which in local government generally would be discharged by the Leader – normally the leader of the largest political party. The Corporation does not apply the “executive arrangements” under the Local Government Act 2000 which provide for cabinet governance, but the membership of the Policy and Resources Committee has something in common with a cabinet, with the CPR as akin to a non-executive Leader.
33. The Corporation voluntarily applies the access to meetings rules under the Local Government Act 1972, as amended (a presumption that meetings and papers are publicly accessible unless statutory criteria for confidentiality are judged to apply). This is laudable in the interests of transparency but is not appropriate across all the Corporation’s functions (for example, the meetings of governing

---

<sup>8</sup> London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and the Millennium Footbridge.

<sup>9</sup> The next elections, due in 2021, may be deferred to 2022 in consequence of the pandemic.

<sup>10</sup> Section 15 of the 1989 Act applies to “relevant authorities” as defined in section 21. Those authorities are those specified in paragraph 1 of Schedule 2 to the Act, which relies upon the section 21 definitions but excludes the Common Council of the Corporation of London (together with the Council of the Isles of Scilly).



bodies of the Corporation's independent schools). I return to the issue in paragraph 542.

34. The Localism Act 2011 requires the Corporation, in common with conventional local authorities, to have "arrangements" to secure high standards of conduct on the part of Members and co-opted Members. In the City, this requirement was met by the establishment of a Standards Committee and associated machinery. I think it is fair to say that this has not been a happy experience, and I recommend alternative arrangements in Part 8 of this Report.
35. There is no retirement age for Common Councillors.
36. **Aldermen** are senior elected Members of the Corporation (one for each Ward, by convention elected every six years), who may go on to serve as Sheriff and Lord Mayor. They have a close relationship with the Central Criminal Court (The Old Bailey) acting on a monthly duty rota. They frequently represent the Lord Mayor at functions and events.
37. Aldermen are an integral part of the Court of Common Council, but they also sit as the Court of Aldermen, presided over by the Lord Mayor. The Court of Aldermen makes the final choice of Lord Mayor from the two candidates nominated by Common Hall each September.
38. The Court of Aldermen has two Standing Committees: Privileges and General Purposes, of which all Aldermen are members. By convention the retirement age for Aldermen is 70, reflecting an historic link with the Magistracy.
39. **The Livery**, acting through Common Hall, consists of the Livery<sup>11</sup> of the 110 City Livery Companies. Originally attendance at Common Hall was open to all Freemen, but was limited to the Livery in 1475. The current Common Hall register of voters contains 25,949 names.
40. **The Lord Mayor** is the first Citizen of the City, and in the Square Mile subordinate only to the Sovereign. He or she presides over the Court of Common Council, the Court of Aldermen, and Common Hall. The Lord Mayor is a major player on the national and

---

<sup>11</sup> Liverymen and Liverywomen are a level above that of Freemen and Freewomen, by decision of the Court of their Company. They are so called because they are "clothed" upon joining the Livery, originally with a distinctive robe which denoted the trade or craft of that Company. Until the Reform Act of 1832 the Livery elected the four Members of Parliament for the City of London.

international stage, promoting the interest and standing of the City as a world centre of financial and professional business services. He or she has a significant ambassadorial role, taking the City's case worldwide to governments, businesses and influencers of all sorts. I consider the role further in Part 6.

41. The Lord Mayor is assisted by the **Sheriffs** who are, like the Lord Mayor, elected every year by the Livery at Common Hall. One Sheriff is the "Aldermanic Sheriff" who is an elected Alderman, and one is a "non-Aldermanic Sheriff".<sup>12</sup>
42. The City is organised into sub-divisions called **Wards**, which are listed in Appendix C, together with the number of Common Councillors elected for each Ward. As noted above, one Alderman is elected for each Ward.
43. The original number of 24 Wards was increased by the division of Farringdon into two Wards in 1394 and the addition of Bridge Ward Without in 1550. The number now stands at 25. **Wardmotes**, presided over by the Alderman for that Ward, are held annually and provide an opportunity for voters to question their local Members. Every fourth year the Wardmote is also the occasion for the election of Members of the Common Council.

## ***The History***

44. No examination of the Corporation and its governance can ignore the extraordinary historical tapestry which has led to the 21<sup>st</sup>-Century Corporation. By Charter of 1067 William the Conqueror (William I if you prefer) confirmed the rights and privileges enjoyed by the Citizens of London under Edward the Confessor. Their unification into a commune or corporation had Royal approval in 1191 and led in 1189 to the appointment of a Mayor as their presiding officer. The 1215 Magna Carta confirmed all the ancient liberties and free customs of the City.<sup>13</sup>
45. The Sheriffs (successors of the pre-Conquest portreeves) were by a Charter of 1199 to be elected by the Citizens of London.

---

<sup>12</sup> There are occasionally two Aldermanic Sheriffs.

<sup>13</sup> Clause IX: *Civitas Londinie habeat omnes antiquas libertates et liberas consuetudines suas.*

46. By 1346 a recognisable authority of Mayor, Aldermen and Council had emerged. It had already (in 1341, confirmed by Parliament in 1377) secured the power to amend its own constitution.

### *My review of these elements*

#### *Wards*

47. I have been urged to recommend a radical reshaping of the Ward structure, combining Wards to create divisions roughly similar in size (and, of course, just as energetically urged to do no such thing). The question to be asked is: what would that reshaping actually achieve?
48. Although, as I noted in paragraph 43, there has been modest adjustment of the Wards over the centuries, I am reluctant to recommend interference with a structure with which most people are content, and which has the patina of long usage.
49. Accordingly, **I recommend that there should be no change in the Ward structure.** Ward Committees of Common Council, on the other hand, are a different matter, and I return to them in paragraph 270.

#### *The Court of Common Council and the Court of Aldermen*

50. Arguments have been deployed in favour of dissolving the Court of Aldermen. If they are part of the Court of Common Council, so the case runs, why should there be any distinction? Again, the examination question is: what would be achieved?
51. The Court of Aldermen has its own particular roles, especially in proposing candidates for the offices of Lord Mayor and Sheriffs. As a Court containing a number of former Lord Mayors, the Court of Aldermen is a resource of experience and expertise for the Corporation as a whole.
52. It is also an “alternative voice” which would not be heard were Aldermen to be simply Members of Common Council and not Members of their own Court.
53. I have considered whether there might be merit in building upon the different existences of the Court of Common Council and the Court of Aldermen, for example by introducing a formal bicameralism,

perhaps in considering Acts of Common Council. I conclude that this would introduce a procedural complexity to no good purpose.

54. I therefore **recommend that there should be no change in the separate existence of the Court of Common Council and the Court of Aldermen, nor in their relationship one to the other.**<sup>14</sup>

### ***The Livery***

55. Even though I am a Liveryman, and a Great Twelve Past Master, I cannot help concluding that in some respects the role of the Livery directly *in the corporate governance* of the City has been a little oversold. For example, and speaking from experience, Members of the Livery are largely passive participants at the essentially theatrical occasions at which the Lord Mayor and Sheriffs<sup>15</sup> are elected. **I therefore recommend no change in the mainly symbolic role of the Livery acting through Common Hall.** I return to the matter of the election, or I would rather say selection, of the Lord Mayor and Sheriffs in Part 6.
56. The broader role of the Livery is another matter entirely. The role of the Livery Companies in educational and charitable activity is centuries old, but its range and reach has never been greater, and the work of the Companies is a huge asset for the City. Not only do their schools and academies educate and care for many thousands of young people, but their almshouses shelter and support the elderly and vulnerable, and their charities reach into every part of life where charitable giving can affect social cohesion, quality of life, wellbeing and opportunities.
57. The way in which the Livery Companies responded to the COVID-19 pandemic was emblematic of their approach: from providing meals for health and other key workers (an initiative in which 31 Companies were involved) to their schools and academies making personal protective equipment (PPE) on a large scale, despite the operational challenges imposed by the pandemic. In addition, the Companies provided financial and other support through their charities to a range of people affected by the pandemic.

---

<sup>14</sup> I note that this was not the view of the 1854 Royal Commission, which recommended the abolition of the Court of Aldermen: *Report of the Commissioners appointed to inquire into the state of the Corporation of London*, 1854, page xii. The formal absorption of the Court of Aldermen into the Court of Common Council would probably require the authorisation of legislation, or a Royal Charter.

<sup>15</sup> And certain other Officers.

58. Livery Companies are rightly proud of their independence, but I expect that this sort of collective effort will have a greater role in the future life of the City and more widely. The Pan-Livery Initiative, developed some three years ago as a move in this direction, has the potential to play a larger part; and the Livery Committee<sup>16</sup> may need to play a more active role in linking the Livery more closely with the wider endeavours of the City.

---

<sup>16</sup> The Livery Committee is a Committee of Common Hall rather than of the Court of Common Council. I have taken it to lie outside the scope of my Review.

### 3

## The City which the Corporation serves

### *Demography*

59. From the 16th century to the middle of the 19<sup>th</sup> century the population of the City was fairly constant at around 125,000.<sup>17</sup> Changes in patterns of industry and retail distribution, and improvements in affordable transport, principally the railway boom, meant that commuting into the City became an ever more practical option.
60. So the commuting population continued to grow, while the residential population became minuscule by comparison. The figures which follow are of course pre-pandemic, but illustrate the character of the City up to March this year.
61. The residential population stands at about 7,500<sup>18</sup>; there are 7,137 electors on the electoral register for the City.<sup>19</sup>
62. The City accounted for 522,000 jobs, or 10% of London's total workforce, and 1 in 59 of all workers in Great Britain.<sup>20</sup> Financial, professional and business services were the largest employers in the City, employing 374,000 people. "Tech services"<sup>21</sup> was the fastest growing sector, and in 2018 grew by 11% in terms of total employment.
63. The workforce in the City was young – 61% aged between 22 and 39; highly skilled – 70% employed in highly-skilled jobs<sup>22</sup>. 28% were of black, Asian or minority ethnic origin.<sup>23</sup> 61% of City workers were UK-born; 15% came from the EEA, and 24% from the rest of the world.<sup>24</sup>

---

<sup>17</sup> In 1801 the population was 128,833; and in 1851, 129,128. See Report of the 1854 Royal Commission, page vii.

<sup>18</sup> *Corporate Plan 2018-2023*.

<sup>19</sup> Report for the Policy and Resources Committee, 9 July 2020, *COVID-19 implications – possible postponement of the City Wide Elections in March 2021*, paragraph 14.

<sup>20</sup> Corporation website, January 2020.

<sup>21</sup> Information and communication.

<sup>22</sup> Professional or technical occupations, or managers and directors. Source: Annual Population Survey, Workplace Analysis, 2019.

<sup>23</sup> ONS 2018 figure, published 2019.

<sup>24</sup> Corporation website, January 2020.

64. The City's contribution to the economy is very significant, amounting to £69 billion in gross value added in 2018, or 15% of the figure for London as a whole, and 4% of the figure for the UK.
65. In 2019 there were 23,890 businesses in the City. 99% of those were SMEs; the apparent disparity is accounted for by the large firms being very large – 280 businesses with more than 250 employees accounted for 50% of the City's jobs.<sup>25</sup>

## ***COVID-19***

### ***The pandemic***

66. The coronavirus pandemic has affected every part of our national life, fundamentally changing patterns of work and imposing immense economic and financial strains.
67. The Corporation has played its part in responding to the crisis. The Town Clerk and Chief Executive chaired the Strategic Co-ordination Group (SCG) charged with the London-wide response, and Officers at all levels have been involved in supporting the SCG and its Transition Management Group successor from 13<sup>th</sup> July, as well as the over-arching London Recovery Board, which brings together the Mayor of London and the London Councils.
68. Members, led by the Chair of Policy and Resources, have been active in the City's response, and Ward Members have played their part in supporting residential communities under strain as a result of the sweeping restrictions.

### ***The effects***

69. The future is uncertain to say the least, in terms of infection rates, the geographical distribution of new cases, and Government restrictions aimed at containing the pandemic.
70. The Corporation has already suffered considerably. The businesses for which it is directly responsible – notably the Barbican Centre, the three fee-paying schools, the Guildhall School of Music and Drama, the wholesale food markets, and the Museum of London<sup>26</sup> have been severely affected. The loss of income will have a significant effect upon the Corporation's budget.

---

<sup>25</sup> *ibid.*

<sup>26</sup> A joint responsibility with the Greater London Authority.

71. In the longer term there will be some effect – it is probably too early to predict how severe – on the Corporation’s rental income of some £100M a year on a property investment portfolio of about £4 billion.
72. In turn, this may impact upon the major capital projects to which the Corporation is committed: a new Courts building, a new integrated food market, a new building for the Museum of London in Smithfield General Market, and – perhaps more speculatively – a new concert hall.
73. The Corporation’s wider responsibilities, supporting and enhancing the City as a pre-eminent world centre of financial, professional and business services, will be even more challenging. The working population of the City fell by as much as 90% during the pandemic, and there will need to be a major effort to get businesses operating as normally as possible in the Square Mile, and to get those businesses to encourage their workers to return.
74. Expectations of future working patterns can be no more than speculative, and will remain so for some time. One possibility is that, even if there are large-scale returns to business premises, there will still be significant working from home, perhaps for one or two days a week. The reliability and capability of the technology is likely to improve markedly. But as convenient and necessary as remote working has been for many, it has also reminded us of the essential need for human interaction in person rather than on a screen.
75. The City has remarkable resilience and adaptability, and confidence in its response to the pandemic is encouraging. A poll carried out between 5<sup>th</sup> and 10<sup>th</sup> July 2020 by FTI Consulting for the Corporation tested the intentions of 506 leading global investors with €850 billion of assets under management. It found that 99% were keen to invest in the City, with 79% actively doing so at the moment.
76. In the poll – the first of its kind since the COVID-19 outbreak – the City scored highly in terms of global connectivity and as a hub for business, and for its built environment and fostering of innovation. It was also favourably viewed (by 85% of the businesses polled) by comparison with other major financial centres in its ability to instil confidence in employees to return to work when the pandemic has been contained.



77. However, 72% of respondents wanted to see the development of a plan to prevent a recurrence of pandemic disease in order for them to look more favourably upon the City in their investment decisions. The Corporation is already addressing this, but achieving it will be challenging.
78. **In the near and medium term the demands which the pandemic will continue to place upon the Corporation's governance, in terms of the need for clear-sighted analysis and decisive action, will be considerable.**
79. **Brexit, on whatever departure (and regulatory) terms are finally agreed, is a further area of uncertainty. So too is the political leadership of the United States, and the powerful but enigmatic role played by China. Even so soon after a General Election there are uncertainties at home: "a mood of radical, disruptive thinking at the centre".<sup>27</sup>**
80. **My recommendations would have been radical had the pandemic not occurred, but the challenges which the Corporation faces and will face, and the need for swift and effective decision-making, have confirmed me in a radical approach to governance reform.**

---

<sup>27</sup> *Financial and professional services: strengthening the effectiveness of the City of London Corporation*; a Review by Sir Simon Fraser and Flint Global [subsequently, Fraser Report], Introduction.

## 4

## The Corporation's strengths and weaknesses

### *Strengths*

#### *Reach and resonance*

81. Detractors of the Corporation and the City are apt to characterise it simply as “a small, rich borough”. Nothing could be further from the truth. The City is a unique and powerful player on the world stage. The Lord Mayor is not only an ambassador but a “door-opener” to the highest levels of business and government all over the world, and the Chair of Policy and Resources is also a key figure. People who matter know about the City and respect it.

#### *The Corporation's people*

82. The Common Councillors, and the Aldermen, are people among whom there is evident love for and loyalty to the City and its success. There is also a powerful ethos of public service. This is drawn upon in arguments against Members being paid; that they give their services voluntarily. This has some merit; but the downside is that there are implications for the perception of the Corporation, and especially of its diversity and inclusiveness.<sup>28</sup>

83. The Corporation's Members possess an enviable resource of expertise, ability and skills to put at the service of the City. But the Corporation could be very much more effective in using this resource to the City's benefit, as I consider in Part 7.

84. In my experience the City's officials are of a very high quality: motivated, expert and well led. Working for the Corporation of the City of London is seen as a good career move by many in public service, and this reputation is a valuable asset.

#### *The long-term view*

85. During its long history, the City has shown itself good at taking the long-term view; for example, in making financial, charitable and educational dispositions designed to last for centuries. This is a great strength, and lends to the Corporation's affairs a grounding and proportionality which is welcome. But it as easily gives rise to a false

---

<sup>28</sup> See paragraphs 129ff.

sense of security. As I show in this Report, the long-term view needs to be combined with the innovation, speed and agility necessary to address some pressing challenges. I strongly endorse Sir Simon Fraser’s judgement that “The Corporation’s history and tradition are a strength, but it is now essential and urgent to balance this with a more forward-looking image, energy and ethos”.<sup>29</sup>

### ***Convening power***

86. The City has an extraordinary ability to bring the prominent and powerful together. This is for a number of reasons: perceived mutual benefit; the making of connections; the gathering of intelligence. But this convening power is lifted to another plane by the grandeur and pageantry which it is able to deploy. The Royal Commission of 1854 spoke of “decent hospitality and splendour”<sup>30</sup> and this remains an important element in the City’s ability to convene and impress. In addition, the conferring of Freedom by Special Nomination, or as Honorary Freedom, is a mark of high distinction.

### ***Agglomeration (“clustering”)***

87. This inelegantly but effectively describes the City’s huge geographical advantage. Key people and key institutions are either within the Square Mile, or not far away. The pandemic has diluted this a little, and it is to be hoped only temporarily, but it is a powerful factor in the City’s effectiveness.

### ***Richness of texture***

88. The Corporation is responsible for a bewildering extent and variety of activities. It delivers cultural, environmental, planning, and highways services; children’s services and adult social care; public health; and housing. But it is also responsible for a major Courts complex; for the maintenance of five bridges; for Port of London port health; for 11,000 acres of open space and parks in and around London; for three wholesale markets; for three independent secondary schools and a maintained primary school; for ten academies;<sup>31</sup> for one of the world’s leading conservatoires and one of its great cultural centres; for a library, art gallery, and archives; and for its own police force.

---

<sup>29</sup> Fraser Report, page 7.

<sup>30</sup> Page xxxii.

<sup>31</sup> Two are co-sponsored: The City Academy, Hackney, is co-sponsored with KPMG and the City of London Academy Islington is co-sponsored with City University.

89. In one sense this recalls the famous observation of the 1960 Royal Commission on Local Government: “If we were to be strictly logical we should recommend the amalgamation of the City and Westminster. But logic has its limits and the position of the City lies outside them”.<sup>32</sup> However, it also indicates the extraordinary opportunities for business and educational cross-fertilisation; for enhancing the experiences of all for whom the Corporation is responsible or who come into contact with the City; and for demonstrating that the whole is so much more than the sum of the parts.

90. Nevertheless, **the number and variety of activities and responsibilities must prompt the question of whether everything needs to be owned by the Corporation; and, if it does, whether everything needs to be run by the Corporation.** I return to this issue in Part 9.

## *Weaknesses*

### *The perception of the Corporation*

91. However it may be viewed from within, outside perceptions of the Corporation are often not complimentary. It is seen as secretive and lacking transparency, with many of its ways of doing business lamentably out of date. It is too often described as “an old boys’ club”, a reflection upon its diversity in terms of age, sex and ethnic origin. Criticisms of the Corporation’s slowness in decision-taking, lack of effective political co-operation, poor lines of accountability, and undeserved benefits, have real force. **These are all things that the Corporation needs to grip.**

### *A lack of corporate endeavour*

92. This has been an overwhelming impression during my Review. I do not say that Members do not understand the need for it, nor that they do not wish to achieve it. However, it has to be accepted that developing and delivering resilient and effective corporate policy at any time, let alone in the present difficulties, requires muscular and disciplined organisation of business.

---

<sup>32</sup> Cmnd. 1164, October 1960, paragraph 935.

93. In my discussion with the Resource Allocation Sub-Committee I described it as “an obsession with the clockwork to the exclusion of actually using the clock to tell the time”.

94. There are many reasons for this, and I explore some of them in more detail below.

### ***Slow transaction of business***

95. It used to be said of Spain under the rule of Philip II that “if Death came from Madrid, we would be immortal.” The complexity and slowness of decision-making within the Corporation is extraordinary. It is not too much to describe it as sclerotic.

### ***Multiplicity of Committees***

96. There are some 130 Committees, Sub-Committees and similar bodies listed on the Corporation’s website.<sup>33</sup> Some of these are so specialised or single-purpose as to be insulated from the broader work of the Corporation, but a significant number are not, and clearly feel that they have a role to play in most types of Corporation business.

97. In Part 7 of this Report I recommend a wholesale reorganisation of Committees to align their identity and structures more closely to the Corporation’s needs. I also deal with numbers of Members, terms of office of Members and Chairs, and power to appoint sub-committees, as well as some other issues.

### ***Multiple involvement of Committees***

98. A practice has grown up of referring business to multiple committees for information – and even to multiple committees for decision. Committees may believe that an item sent to them for information actually engages their substantive responsibilities, and so start contributing to a decision. This obscures the picture further.

99. An inevitable result is to slow down or even stop the process of consideration. The extent of “multiple engagement” is alarming – I have come across items of business which appeared on the agendas of no fewer than 15 Committees or Sub-Committees.

100. A further result is that Members may be unclear about what their role is in respect of a particular item of business: are they

---

<sup>33</sup> See Appendix E.

deciding it, contributing to a decision or simply noting it? There is a limit to how far Committee staffs can guide Members if they are getting little help from a creaking structure.

101. A casualty of this way of doing business is of course accountability, both in terms of the Court of Common Council having a clear picture of the genesis of a proposal, and who is really responsible for it, and for the public to be able to follow the process of coming to the decision.

### ***Sequencing of Committees***

102. Another problem arises when the programmes of Committees concerned do not mesh. Proposal X may be thought to need clearance from Committees A, B and C. A is meeting this month, but B not till next month when it has too heavy an agenda to be sure of dealing with the proposal, and C should have dealt with it this month but was inquorate. Proposal X is thus already running into the sand.
103. In addition, the period of time covered by multiple consideration means that reports for Committees need to be written much further in advance than should be necessary: a factor in the overall slowness of the process.
104. The simplification I recommend in Part 7 should dramatically reduce multiple engagement and problems of sequencing.

### ***Silos***

105. If corporate policies are to be developed and delivered effectively, Committees and Members need a common understanding of, and support for, what is to be achieved. This may require compromises in the interests of the larger aspiration, but above all a shared awareness and a willingness to co-operate.
106. I have come across a number of instances where this has been emphatically not the case, and even where there has been an unwillingness to share information with other Committees. This is another factor in poor and slow decision-making.
107. One phenomenon observed by many is that of Members who are keen to espouse some pet project, and are advocates for it on the subject Committee concerned. But on another Committee – perhaps with a finance function, the same Members become hawkish about

such projects. This too can make business difficult to handle effectively.

108. I was surprised to find that Departments did not see each others' business plans in draft in order to co-ordinate them. **This needs to change.**
109. In this connection, I was also surprised to find that there is no Chief Operating Officer among the senior Officers. They each have a Departmental responsibility. The Town Clerk and Chief Executive is the only senior individual who can look across the organisation and its collective operation; but his job is very demanding and heavily loaded.
110. A Chief Operating Officer, dealing with cross-cutting issues, could also be charged with integration of policy advice and – vitally – fostering corporate behaviours. He or she would be in the central staff, reporting to the Town Clerk and Chief Executive, but would also have a close relationship with the Chair of Policy and Resources, one of whose aims is more co-ordinated and corporate behaviour. **I so recommend.**

### ***A non-party Court***

111. As I noted in paragraph 31, the vast majority of Members of the Court of Common Council, whatever their personal political standpoints, sit as independents. I have heard it described as “an organisation run by 125 individuals”.
112. This means that there are no Whips. Enoch Powell once said that “a Parliament without Whips is like a city without sewers”. Although Whips in democratic institutions, over many decades, have had a poor press, their operation makes it easier to identify issues, coalesce support, and deliver outcomes, which is valuable.
113. But an inevitable result of individual independence in the Court of Common Council is a level of unpredictability, and of shifting coalitions of support, which can make it hard to deliver outcomes. In turn this can mean something of a hand-to-mouth existence, with a loss of certainty which can be damaging. This is not to devalue independence of view in any way, and I have no easy answer to suggest. It may be that the fostering of the sense of corporate endeavour I mentioned earlier will tend to change the culture.

114. There is one possible advantage of majority independence which I should record for the sake of completeness. It is no bad thing to have a Court of Common Council which does not bear a party label which may from time to time differ from that of the government of the day.

### ***The local/national tension***

115. Members of course have a duty to represent their constituents. But the tiny size of those constituencies<sup>34</sup> (their Wards) means that very small pressure groups may have a disproportionate effect. And a tension arises when a major proposal which, it may be argued, could be to the great benefit of the City, and of UKplc, is opposed on the grounds that a very small number of constituents might not like it. Again, there are no easy answers. Members must use their judgement; but it is a tension that is worth identifying. Again, a more corporate approach should help to set matters in proportion.

---

<sup>34</sup> At the last elections in 2017 a total of 4,779 votes were cast. This includes business votes.



## 5

# The Court of Common Council and Proceedings

### *Number of Common Councillors*

116. Over the centuries, the number of Common Councillors (previously “Common Councilmen”) has broadly reflected the population of the City. In 1285 it was 40, and 96 a century later. By 1826 it had reached 240, but was reduced to 206 and then to 159 by 1964, and 130 as a result of decisions in 1973. As part of the negotiations on the Bill for the City of London (Ward Elections) Act 2002 the number was further reduced to 100.
  
117. Unsurprisingly, there is a wide range of views on future numbers. On the one hand, having 100 Common Councillors for so small an electoral base is seen as bizarre, and contributing to a negative view of the Corporation.
  
118. On the other side of the argument, it is said that the number of activities for which the Corporation has to find participants and representatives justifies having so many Common Councillors.
  
119. Concerns have been expressed to me that a change in numbers now might risk destabilising that settlement. I am not wholly convinced by this, but I accept that putting the issue into play at the wrong time might have unwelcome results, even though the change can be effected by Act of Common Council and does not require other legislation.
  
120. My conclusion is that the question is asked the wrong way round: it is not simply “how many Common Councillors should we have” but “how many do we need to operate the institution effectively?”
  
121. The restructuring of the Committee system, including the dramatic reduction in the panoply of Sub Committees, Consultative Groups and Working Groups which I recommend, will mean that significantly fewer Common Councillors are needed to operate it.
  
122. But that of course requires the Corporation to accept my recommendations. **Accordingly, until that structure is settled for**

**the longer term there is little point in taking a view on the number of Common Councillors. If there is a marked reduction in future, I expect that to be driven by those structural considerations. As to the democratic mandate, even a very much smaller number of Common Councillors will be sufficient to discharge it.**

123. I see the number of Aldermen as a different issue. If the number of Common Councillors is reduced then the Aldermen will *pro rata* form a larger proportion of the Court of Common Council. However, they are elected one to a Ward, and if the Wards are to remain unchanged then there would have to be some combination of Wards for electoral purposes. But I do not see this issue as relevant at the moment.

### ***The Franchise***

124. The unique franchise applying to elections to the Court of Common Council is prescribed by the City of London (Ward Elections) Act 2002. The Act defines a “qualifying body” – in effect, an employer within the Square Mile. That qualifying body may appoint voters: one for a workforce of up to five, plus one for every five thereafter, up to 50. For a workforce larger than 50, a voter may be appointed for each subsequent 50. A qualifying body must ensure that so far as possible its appointments reflect the composition of the workforce. There is a “requirement of connection” by employment within the City, either for the previous year, or for an aggregate of five years (or ten years if the voter has worked for more than one employer).
125. At the next elections, probably now in March 2022 as a result of the pandemic, the electorate is likely to be a little more than 20,000, split 1/3 residents and 2/3 business. In 2017 144 candidates contested 100 Common Council seats; for 26 seats a candidate was returned unopposed. Electorates in each Ward ranged from 237 voters to 3,031 voters.
126. This system has its determined critics: on the basis of the unacceptability of *appointing* voters in any circumstances; on some odd results of the eligibility rules (for example, all the members of a barristers’ chambers qualifying, but a relatively low proportion of the employees of a large company); and on the extent to which employers in the Square Mile involve their employees with the system.

127. The Corporation already makes efforts to contact employers to improve participation in the electoral process, and it may be that more could be done in this respect. It has been suggested to me that effective participation could be made a condition of Corporation leases on premises occupied by employers, and **this would be worth following up when occasion offers.**

128. However so far as the franchise itself is concerned – and I recognise that this may be a disappointment to some – I make no recommendations. I said in paragraph 25 that I was avoiding recommendations that would involve primary legislation. As I remember very well the events surrounding the passage of the Bill for the 2002 Act, I do not think that this is something upon which the Corporation would be keen to embark.

### ***Diversity***

129. I noted in paragraph 91 that a perceived lack of diversity is a reputational issue for the Corporation.

130. “Diversity” is too often seen only in terms of sex and ethnicity, but it is important to remember that the Equality Act 2010 prescribes nine “protected characteristics” to the treatment of which the Act applies. They are: age, disability, gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief, sex, and sexual orientation.<sup>35</sup>

131. However, in terms of public perception, sex and ethnicity are the most evident elements of diversity. Of Common Councillors, 26% are women and some 7% are BAME; on the Court of Aldermen the figures are 16% and some 4% respectively.

132. There is clearly some way to go for the Court of Common Council more closely to reflect the City community which it serves. Of workers in the City, 34% are women (although for the country at large, the figure is 51%<sup>36</sup>). As I noted in paragraph 63, 28% of the City’s workforce are BAME.<sup>37</sup> The Corporation is aiming for 30% of candidates at the next elections<sup>38</sup> to be women, and 15% to be BAME.

---

<sup>35</sup> Equality Act 2010, section 4.

<sup>36</sup> From the 2011 Census: the latest figures available from [gov.uk](http://gov.uk)

<sup>37</sup> 2018 figure.

<sup>38</sup> As already noted, these may be delayed from 2021 to 2022.

133. So far as Officers are concerned, the Corporation is aiming for 45% of senior positions to be occupied by women by 2023.
134. There are of course ways in which an institution can become more diverse as well as by reference to the protected characteristics. More younger people on the Court (recalling that nearly two-thirds of City workers are aged between 22 and 39), and more diversity of background, would be to the benefit of the Corporation.
135. Easier said than done, of course. The encouragement of colleagues and influencers, the value of the role that the Corporation is seen to fulfil, and a modern and inclusive way of doing business, will all have a part to play, as would a system of mentors to support and brief new Members.
136. So too will Corporation working patterns that fit easily with day jobs. Senior people, even though their jobs may be demanding, tend to have some control over their schedules. Those who are less senior, or who are limited by shifts or opening hours, may find it harder to do so.
137. The timing of Committees is a good example. At the moment they tend to be grouped in mid- to late morning, or mid-afternoon. Earlier morning meetings, or early evening meetings, might be more attractive to those who are limited by working or caring responsibilities. And early evening meetings are in any event sensible for meetings which may affect residents.
138. The Corporation is to be commended on setting up the Tackling Racism Taskforce, addressing one aspect of diversity – but a particularly pressing one in current circumstances; and I was grateful for a useful meeting with the Co-Chairs, Andrien Meyers and Caroline Addy.
139. It has been suggested to me that the Corporation is perhaps missing a trick in not ensuring that those taking part in its outward-facing activities need to include those who by their presence can demonstrate diversity within the Corporation. **I think this is a good point, and should be pursued.**
140. **Whatever approaches are taken, there is one respect in which the Corporation needs to display best practice, and that is professional training in diversity being undertaken and**

**periodically refreshed. This is already required of Officers.<sup>39</sup> For Members, without Whips to deliver, I recommend that appointment to any Committee should be strictly conditional on compliance.**

141. For the sake of completeness I should mention the question of age. I am aware of criticisms that Common Councillors stay on the Court for too long (and the conventional retirement age for Aldermen is 70). However, as age is one of the protected characteristics I make no comment.

### ***Pay for Members***

142. The question of whether or not Members should be paid has been a subject of debate for some time. In favour of payment it is argued that it might encourage a wider range of people to stand for election, especially those in employment rather than retired; and that the payment of an allowance is normal in local authorities. Against payment it is said that it would be against the Corporation's ethos of voluntary service; and that a parallel with local authorities is misplaced.
143. In 2006 a Members' Financial Loss Scheme (FLS) was introduced. This scheme, which paralleled that applicable to the Magistracy, was essentially to provide that those who suffered financial loss as a direct result of their civic duties should be compensated to some degree. It had disadvantages: there was an element of embarrassment in making application; and it was seen as a hardship scheme rather than as an enabler. As fewer than ten Members applied to the scheme in the 14 years of its existence, it was doubtful whether it was fulfilling its intended purpose.
144. A proposal has now been developed<sup>40</sup> to introduce an annual flat-rate allowance, based on the Corporation's rate for inner-London weighting, presently £6,710.04. Expenses for travel, subsistence and caring responsibilities would be retained; a payment of £500 to meet the cost of formal clothing would be payable following election or re-election; and reasonable costs of the hire of premises for Ward

---

<sup>39</sup> Mandatory courses for Officers are: Equality Analysis (for managers); Unconscious Bias; Equality Awareness. Additional training which is not mandatory but which is highly recommended: Transgender Awareness; and "Equally Yours" (an introductory course).

<sup>40</sup> By the Members' Financial Assistance Working Party, set up by the Policy and Resources Committee in March 2018.

surgeries would be met. Tax and National Insurance contributions on benefits in kind and the clothing allowance would in principle be met by the Corporation. Members would not be required to take the allowances if they did not wish to do so.

145. This proposal was approved by the Policy and Resources Committee, and is likely to be submitted to the Court of Common Council in the Autumn. I think it may increase the diversity which I have advocated, and so I commend it. At this stage I make no alternative suggestion.

### *Pay for Chairs*

146. Chairs of active and heavily loaded Committees take on a great deal of work for no remuneration. The Chair of the Policy and Resources Committee is an especially notable example. I found no evidence, however, that the lack of pay for Chairs is proving a deterrent; but this may be a matter to be reconsidered at some stage.

## *Standing Orders of Common Council*

### *General*

147. The Standing Orders of the Court of Common Council unsurprisingly bear signs of having accreted over a long period. They are in places over-drafted, and have some duplications and superfluities (as well as an endemic confusion between “will” and “shall”). **The Standing Orders would benefit from a thorough housekeeping/drafting exercise. I should be happy to undertake this at a later stage should the Corporation wish it.**

### *Standing Orders as they apply to proceedings*

148. In this section I consider the Standing Orders (SOs) *seriatim*, and make suggestions for substantive amendment. This does not include the drafting exercise referred to above. **I do not include all the amendments to SOs relating to Committees, because they will require substantial amendment as a result of my recommendations on the Committee structure in Part 7.**

149. The Ballots provided for under **SO 10** take place in secret. I do not think that this is appropriate, and it is at odds with the openness that the Corporation should be seeking; its alleged secretiveness is a frequent ground of criticism. I understand the view that a secret ballot

removes political pressure,<sup>41</sup> but it also allows groups to operate below the radar and not to take responsibility for their group activity. **I therefore recommend that SO 10 be amended to provide for open and recorded ballots, just as Divisions under SO 14 are open and recorded.**

150. **SO 12.2** requires that, with certain exceptions, Notices of Motion shall be signed by not fewer than 10 Members. It falls to be considered whether this provision should be in order to demonstrate minimum support – a bar that must be surmounted – or the use of “at least ten” should properly allow the gathering of a great many signatures as a means of advocacy. I do not offer a view, but it may be worth giving the matter thought. “Not less and not more than ten” would be an easy fix – but perhaps with the latter figure rather larger to prevent sabotage by the withdrawal of names.
151. I believe **SO 12.5** to be defective – or perhaps misdirected – in that it allows a Motion actually under debate to be withdrawn by the Mover and Seconder at any time. However, by that stage the Motion is in the possession of the Court, and **I recommend that the permission of the Court should be required for its withdrawal.**
152. Having observed meetings of the Court, I suggest that the provisions of **SO 13** relating to questions might be tightened up. First, in asking the question there is a tendency for the questioner to be discursive, in effect making a speech. **I recommend that the text of each oral question should be on the Agenda, so that it does not have to be put orally.** The questioner, of course, has the chance to expand – within limits – in asking the supplementary. Public notice of the questions to be asked given in that way would be a small but useful improvement in transparency.
153. **SO 13.5**, allowing Members to ask no more than three questions at any meeting of the Court, **seems to me to be unduly generous. One would surely be enough, especially as the SO limit excludes supplementaries.**
154. Similarly, there is an argument for **changing the provision in SO 13.6 to allow six Members to ask one supplementary each**

---

<sup>41</sup> I am well aware of the provisions in the House of Commons for secret ballots for posts including the Speaker (SO No 1B), the Deputy Speakers (SO No 2A) and Chairs of certain Select Committees (SO No 122B) – indeed, I was involved in their introduction. But those provisions operate in a heavily Whipped environment, and the considerations are very different.

rather than three Members each being given a ration of two, and might make better use of the 40 minutes allowed.

155. The provision in **SO 13.10** for questions not dealt with at one meeting to be deferred to the next is a recipe for making the Court's agenda stale. **The default setting should be that a question not answered orally is responded to in writing.** If the Member wishes, he or she can of course withdraw the question for that meeting and resubmit it for the next meeting – possibly in an updated form.
156. As throughout this Report I stress the need for the Court and its Committees to engage with the corporate agenda and aims, it will not be surprising **that I recommend a more generous allowance of questions – perhaps six – under SO 13.11**, in which Members are able to question the Chair of the Policy and Resources Committee on the Chair's statement about “the key policy and strategic issues affecting the City and the work of the City of London Corporation”.
157. SO 26: “Each Committee will have Terms of Reference approved by the Court” seems pointless. Was its motivation the possibility that the Court might approve the establishment of a Committee with no terms of reference? That seems highly unlikely, and in any event the matter is in the hands of the Court. **I recommend that SO 26 is repealed.**
158. SO 28 deals with a “Joint Committee” but appears misconceived. I take it from the text that this was intended to refer to joint meetings of two pre-existing Committees rather than the creation of a new body, but that is not what the SO says. **It should be amended to refer to joint meetings.**
159. My observations on secret ballots under SO 10 apply with equal force to **SOs 29.6, 30.7 and 30.8. All should be amended to provide for open and recorded ballots.**
160. **SO 36** deals with quorum but, I suggest, in an over-complicated way. Rather than an annual setting of quorums by the Court, **there should be a general quorum provision** which can be notwithstanding by Court decision should there be particular factors relating to one Committee. A norm might be a quorum of one-third of the Members (rounding up or down as necessary).



161. I note that the quorum for all Sub-Committees is set by SO 27.2, at three Members, but strangely without any reference to the number of Members on the Sub-Committee concerned. **A general quorum provision (again, perhaps one-third) should apply also to Sub-Committees, and a version of the Committee quorum should apply to joint meetings of Committees, with both, or all, participating Committees required to be quorate for the meeting to be quorate.**
162. I believe that the drafting (or intent) of **SO 38**, relating to decisions in Committee, is open to criticism. If there is a vote, the only names recorded are those of Members “dissenting from a majority decision”. This means that a Member who is recorded as attending the meeting, but who may have left by the time a vote is taken, is deduced to be in the majority, which may not be the case. **The names of all Members voting in Divisions in Committee should be recorded.**
163. In Committee (and certainly in the smaller Committees which I recommend) **it should be possible for a single Member to call for a Division, and to have the names of those voting to be recorded.**<sup>42</sup> It is important to allow a recorded voice to a minority, however small.
164. I deal with delegations in Part 7 of this Report. If my recommendations are accepted, amendment of the writing-off limits in **SO 52** will be needed.
165. The move to paperless working which I recommend below will require the repeal of **SOs 9.1 and 17.1 and the amendment of SOs 20.1 and 46.2.** I take it that by an *eiusdem generis* interpretation the provisions relating to “papers being sent” as in **SOs 6.2 and 34.4** will apply unamended to electronic copy, as will the references to “copy” and the rights of access to “documents” in **SO 45.**

### ***Going paperless***

166. The Corporation’s Corporate Plan 2018-23 has as its Outcome 9:  
 “We are digitally and physically well-connected and responsive. We will:
- champion and facilitate a world-leading digital experience.

---

<sup>42</sup> I note that the Policy and Resources Committee rejected this proposed change on 6 July 2017.

- b. develop and trial smart innovations...”

167. The Corporation is responsible for the Square Mile in which digital information is the norm, and the speed of electronic communication is taken for granted.

168. **It may be initially uncomfortable for some, but I do not see how entirely paperless Corporation business can be delayed any longer.** The advantages include:

- significant savings;
- speed of communication of information and working documents;
- an end to the routine circulation of expensively printed Committee documents “for information”. In 2018/19 *over 2,000 items* taken in Committee and Sub-Committee were simply for information. All the documents can be made available via a portal, and links inserted in reports where necessary;
- a clear public demonstration of the Corporation’s green credentials (the 2018-23 Corporate Plan champions sustainability and promises environmental stewardship in use of resources); and
- bringing greater credibility to the Corporation’s engagement with players for whom paperless is already the norm.

169. Careful preparation will of course be needed, in the procurement of some of the very capable document-handling software that is available, and proper training.

170. **But when the Corporation is ready to go it must be decisive. If the last printed circulation is on a Friday then on Monday the Corporation must be paperless. If going paperless is still a matter of individual choice then it will fail, and the advantages I outlined above will not be secured.**

171. I leave it to the Corporation to decide whether this Report should be made available in hard copy, or only electronically.
172. There are other ways in which the use of technology can be extended. From 4<sup>th</sup> April 2020 local authorities have been able to hold remote meetings under The Local Authorities and Police and Crime Panels (Coronavirus)(Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) Regulations 2020<sup>43</sup>. At present the provisions apply until 7<sup>th</sup> May 2021, but that will obviously be dependent upon the containment of the pandemic.
173. These Regulations will apply to relevant parts of the Corporation's activities, but of course it will be open to the Corporation to have equivalent provision for its other activities if it wishes. This might be helpful for meetings involving people outside the Corporation.
174. Whatever the future of remote participation, **a sensible use of video technology would be to stream all meetings of Corporation committees and Sub-Committees for access within Guildhall (or webcast more widely, as preferred)**. Officers could then monitor the progress of Committee business and attend for items for which they were needed, rather than having to be present for an entire session, with savings of time and money. I am told that this could be done for a one-off cost of £100,000, with modest annual costs thereafter.

---

<sup>43</sup> S.I., 2020, No 392. See also Local Authorities and Police and Crime Panels (Coronavirus)(Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) (Amendment) Regulations 2020 (S.I., 2020, No. 808.

## 6

# Competitiveness and Prosperity

175. In this Part of my Report I consider how the central purpose of the Corporation – as an advocate and enabler for the financial, professional and business services of the City of London – can best be furthered through governance changes. I do not in any way undervalue the other activities of the Corporation, but unless it is successful in this respect – not least to support those other activities – then the City will be (literally) a poorer place.
176. I also consider how this endeavour can best be supported, and corporate behaviour can best be encouraged. And because the role of the Lord Mayor, with the Chair of Policy and Resources, is crucial, this may be a convenient place to examine how the Lord Mayor is appointed.
177. I make recommendations about a Competitiveness Committee in this Part rather than in my wider consideration of Committees in Part 7 as it is simpler to do so here rather than in the complexities of the Committee system as a whole.

### *The Fraser Report*

178. I have already referred to the 2020 Report by Sir Simon Fraser, and the 2015 Report of which it was a “light-touch” review. I have had a very useful discussion with Sir Simon, and I am in complete agreement with his analysis and recommendations – although I take his recommendations a little further. And of course his agenda takes in wider issues of policy while my focus is on how those are best supported through governance arrangements.
179. The central conclusions of Sir Simon’s 2020 Report, which are amply confirmed by my Review, are that the Corporation
- “should work to achieve a clearer, more united policy strategy for its work to promote prosperity, with more focused priorities, more strategic and consistent communication, a co-ordinated plan to deliver its goals, increasingly united leadership, clearer, more decisive governance to drive outcomes, and stronger external relationships to deliver results...the overriding priority is to defend

and improve the competitiveness of London as a global financial centre. This effort should be brought together in a Corporation ‘competitiveness strategy’ for the City.”<sup>44</sup>

### ***The present arrangements***

180. The terms of reference of the Policy and Resources Committee (P&RC) include “the support and promotion of the City of London as the world leader in international financial and business services and to oversee, generally, the City of London Corporation’s economic development activities, communications strategy and public relations activities”.<sup>45</sup>

181. In theory this function is delegated to the Public Relations and Economic Development Sub-Committee (PRED), whose terms of reference, approved by the P&RC, are “to consider and report to the Grand Committee on all matters relating to the City Corporation’s Economic Development, Public Relations, Public Affairs and Communication activities, including any related plans, policies and strategies.”<sup>46</sup>

182. This is an odd mix of responsibilities; and moreover the title of the Sub-Committee puts PR ahead of economic development. In addition, the task of the Sub-Committee is couched in somewhat passive rather than active terms. The Sub-Committee has a minimum of 16 Members,<sup>47</sup> but is not especially active. Its meetings on 15<sup>th</sup> April and 9<sup>th</sup> June were cancelled, and if it meets as scheduled on 16<sup>th</sup> September it will not have met formally for nearly six months.<sup>48</sup>

183. I have encountered no criticism of the Sub-Committee’s work on public relations and communications, but considerable frustration that its economic development role is less effective – perhaps unsurprising if the Sub-Committee is essentially reactive.

### ***Current activity***

184. The Innovation and Growth Directorate in the Town Clerk’s Department is active and focused, and excellent work has been done recently: setting up a major Climate Conference with Mark Carney in November this year; jointly launching a review with HM Treasury

---

<sup>44</sup> Fraser Report, page 4.

<sup>45</sup> See *Appointment of Members on Committees, 2019/2020*, page 155, paragraph (d).

<sup>46</sup> See Minutes of the Policy and Resources Committee, 4<sup>th</sup> May 2017.

<sup>47</sup> Not counting any former Chairs of Policy and Resources who are still on that Committee.

<sup>48</sup> On 5 November 2019 the Sub-Committee agreed to reduce its meetings from 11 a year to 6.

on how Fintech will power UK success in the future; and publishing a study of how to remove barriers for financial and professional services to do more business in Australia. The Directorate has good working relationships with No.10 Downing Street, the Treasury, the Department for International Trade and the Foreign and Commonwealth Office, and with Parliament, the GLA and leaders across all parts of the UK and its regions. These are key networks for the Corporation to play its part in fostering competitiveness and prosperity.

185. However, these endeavours are held back by two things: there is no politically endorsed clear overall strategy; and there is a low level of Member involvement in driving things forward. I also believe that the Corporation could use the Member expertise available to it more effectively.
186. On the first, the Fraser Report has supplied the way forward. Under *Clarity of Purpose* it recommends<sup>49</sup> that
- “The Corporation should establish a focused set of medium-term strategic policy priorities to promote and protect the UK FPS sector, both at home and abroad. They should include clear goals and measurable objectives linked to clear timeframes
  - “Together these should underpin a new Competitiveness Strategy of the Corporation on behalf of the City, aligned with the priorities agreed with TCUK.<sup>50</sup>”
187. I hope that the Court of Common Council will approve this recommendation soon, and that early formulation of the policy priorities will be a key aim.
188. On governance, Fraser recommends a “new, specialised and senior ‘Competitiveness Sub-Committee’” of the Policy and Resources Committee.<sup>51</sup> This would address the problems of lack of appropriate Member involvement and political energy, but I would go further.

---

<sup>49</sup> Fraser Report, page 11.

<sup>50</sup> TheCityUK.

<sup>51</sup> Fraser Report, page 12

189. **I therefore recommend the establishment of a free-standing Competitiveness Committee.** I suggest that a free-standing Committee has much to recommend it:

- the status of a dedicated Committee would be emblematic of the Corporation's wish to press ahead with the competitiveness agenda – assuming that, as I hope, this agenda is approved at an early stage;
- the fact that the Committee would not have to report through another body should speed up its work and provide the speed of response that will be needed;
- any criticism that it will somehow be in competition with the P&RC can easily be met by a degree of overlapping membership and Chair;
- I do not believe that the P&RC has the bandwidth to deal with yet another Sub-Committee reporting to it, despite my recommendations to simplify the Sub-Committee structure.

### ***Terms of reference***

190. These will be a version of paragraph (d) of the P&RC's current terms of reference, modified to take in the new Competitiveness Strategy; something like

#### **“To be responsible for:**

- **the support and promotion of the City of London as the world leader in international financial and business services;**
- **driving the implementation of the Competitiveness Strategy;**
- **adapting and updating the Strategy to meet developing circumstances”**

191. It would be sensible if **this Committee were to take in the functions of the Hospitality Working Party**, as most significant hospitality will impinge on the priorities of the Strategy.

## **Membership**

192. I would not be prescriptive at this stage, but I suggest that there are some key principles:

- **the total permanent membership should be no more than 12 to 15** (this would be consonant with the recommendations I make on the Committee system as whole);
- **it should be chaired by the Chair of Policy and Resources (CPR)** who will thus be able to take a co-ordinating view of the work of both Committees;
- **the Chair of the General Purposes Committee of the Court of Aldermen (GPC) should be the Deputy Chair** (or alternate Chair);
- in order to make the best use of the Corporation's resource of expertise, **the membership should be made up of Members who have held senior roles in financial, professional and business services**; both P&RC and GPC might have roles in designating suitable individuals.<sup>52</sup> This would make best use of the array of talent available. I have in mind, as just one example, the way in which Sir Roger Gifford has been able to transform the Corporation's impact on green finance;
- I do not recommend any *ex officio* places on the Committee, not wanting to take places away from those with the high-level expertise which will be required. If those with a claim to be *ex officio* have the necessary expertise, they will have a claim to be on the Committee in any event);
- it will be important to draw upon the views and expertise of those outside the Corporation who are currently involved at a high level in the relevant sectors. Rather than have a large permanent co-opted membership which could make the Committee unwieldy (and which might not always be right for the business before the Committee), I suggest that **the Committee could draw upon small sectoral panels of external members, which would also link the Corporation more closely with the key players, and who could attend**

---

<sup>52</sup> Such a role would in due course fall to the Governance and Nominations Committee which I recommend, but the Competitiveness Committee should begin work as soon as possible.



**depending on the business under consideration** (as well as receiving the full range of working papers).

193. Although the Competitiveness Committee would lead on promotion of the City, **I would not freight it with the more general public relations issues which fall to PRED at the moment.** So far as they may need Committee engagement or approval, I think that they could be re-absorbed by P&RC.
194. **CPR's chairing of the Competitiveness Committee will reinforce the case for that role to have enhanced Officer support,** a point which has emerged from my Review and which was also identified by the Fraser Report.<sup>53</sup>

***“Chair of Policy and Resources”: title***

195. This may be a convenient point at which to deal with this issue, which has long been the subject of debate. The fact that it is one of the *arcana imperii* is seen by some as very good, and by others as just as bad.
196. The Fraser Report observes that “Chair of Policy and Resources” may be seen as opaque and misrepresenting to outsiders the importance and profile of the role. “A title such as ‘Chair of Policy and Leader of the Corporation’ would have greater impact and may help achieve wider and higher access.”<sup>54</sup>
197. I agree that this is an issue. However, during my Review I encountered widespread and settled opposition to the use of the term “Leader”, on the grounds that it is so closely associated with local authorities, and that it indicates the person who leads not only the Council, but also the majority party or faction – something which is impossible in the Corporation context.
198. Mindful of the eternal truth that in governance reviews there is nothing so controversial as what things are to be called, I do not recommend adopting the title of “Leader”.
199. “Chair of Policy and Resources” combined is indeed unwieldy; but “Chair of Policy” seems to me to be fit for purpose, even if P&RC retains its name. “Policy” is clearly the most important

---

<sup>53</sup> Page 12.

<sup>54</sup> Page 9.

overarching issue, and will be seen as such outside the City. **So I recommend the use of the title “Chair of Policy (CP)”** and I use that title in the remainder of this Report.

### ***Co-ordinating support for the competitiveness agenda***

200. In Part 4 of this Report I was critical of what I termed “a lack of corporate endeavour”.<sup>55</sup> Curing this will be important across all the Corporation’s activities, but nowhere more so than in supporting the competitiveness agenda.

### ***Guildhall and Mansion House***

201. The Chair of Policy is clearly the lead on policy matters, and I believe that that role will be enhanced if CP also chairs the Competitiveness Committee. The Lord Mayor has a vital ambassadorial and promotional role. The two are rightly complementary, and it is important that they are also closely co-ordinated.
202. It has been suggested to me that the staff of Mansion House should be merged with the staff at Guildhall. I am not convinced by this. The two staffs are doing different things, but there is no reason why they should not do them to achieve shared aims. This is also not the time for a complex re-engineering exercise, no doubt with negotiations about roles and reporting lines.
203. What is essential is that CP and Lord Mayor – Guildhall and Mansion House – speak with one voice, and that both enable the priorities identified in the Competitiveness Strategy. It should mean, too, that the two staffs work very closely together to the same aim. To take one example, the Lord Mayor’s speechwriters need to be constantly up to date with developments affecting the Competitiveness Strategy.
204. In practice this will mean that the Lord Mayor’s convening and “door-opening” role is key in powering the Strategy. In turn this should mean that the planning of the Lord Mayor’s activities, both outreach and inward visits, maps onto the priorities of the Strategy.
205. The City has benefited from the fact that the priorities of the present Lord Mayor and his two predecessors have had a consistency

---

<sup>55</sup> I note that the Fraser Report (page 5) observes that “There is little understanding of how the work of different parts of the Corporation is brought together to achieve a collective purpose”.

in reflecting corporate aims, and the framework of the Strategy should help this to continue with future holders of the office.

### ***Speaking for the City***

206. Just as the message needs to be agreed and clear, so the means of its delivery must be clear and understood. It has been suggested that a prominent “outside” figure might act as a high-level ambassador for the City, but I think it right that the Lord Mayor and CP should continue to be in the lead; any other “spokesman” role is potentially confusing. This does not mean, however, that CP and the Lord Mayor should not designate senior people, from the Corporation or outside, to lead on particular issues or relationships.<sup>56</sup>

### ***The Lord Mayor***

207. The importance of this role will be clear from the Fraser Report and from my Report, as also the importance of its being filled by exceptional people. However, the method of appointment has been a matter of long-standing debate and some criticism.

### ***The method of appointment***

208. Only a serving Alderman, who has served in the Office of Sheriff, is eligible for election. Each year, usually around May, the Court of Aldermen nominate one Alderman, occasionally two, for the following year’s election by the Livery as one of the Sheriffs.

209. At the same time, the Court vote to nominate an Alderman as their preferred candidate for Lord Mayor for the following year. At Common Hall in September, the Livery return two names to the Court of Aldermen, who then carry out the final vote to elect the Lord Mayor.

### ***The present appraisal process***

210. A review of the appraisal process for candidates for the Mayoralty and the Shrievalty was undertaken in the Autumn of 2019 with the help of the recruitment consultants Saxton Bampfylde. A small working party of Aldermen (a mix of those who had, and had not, been Lord Mayor) was then convened.

---

<sup>56</sup> I have in mind the roles played by the former FCO and Home Office Minister Jeremy Browne leading on EU relationships, and Sherry Madera, former Minister-Counsellor and Director at the British Embassy in Beijing, in respect of Asia.

211. Its proposals were agreed in February this year; they included the development of comprehensive job descriptions; clear guidance on the process of application and appraisal,<sup>57</sup> and a robust procedure for interview and assessment, taking proper account of fairness and equalities issues.<sup>58</sup>
212. Candidates must submit a personal statement of why they feel they meet the requirements of Sheriff and ultimately Lord Mayor (including track record, networks and relationships, personal qualities, and aspirations in office); a full *curriculum vitae* as well as a personal biography; and a list of between four and seven referees.
213. The composition of the Appraisal Panel for 2020 is: Chair of the Privileges Committee of the Court of Aldermen, presiding; the Deputy Chair of the Privileges Committee; the Chair of the General Purposes Committee; the late Lord Mayor; the Chief Commoner; and a minimum of three Independent Members from the business City appointed by the Privileges Committee.<sup>59</sup>
214. Because of the pandemic, the present Lord Mayor and Sheriffs will serve for a further 12 months, so the 2020 selection process has been suspended. It is expected that the membership of the Panel may be changed to: the Chair of the Privileges Committee, presiding; the Deputy Chair of the Privileges Committee; the Chair of the General Purposes Committee of Aldermen; the Chair of Policy; the Chief Commoner; and five independent members.
215. **The increase in the number of independent members is welcome; but the possible size of the Panel is considerably larger than current best practice would suggest. This may be something to consider in the light of professional advice; I would hope that such advice will continue to be available to the Panel.**

---

<sup>57</sup> On the Corporation's website at <http://www.cityoflondon.gov.uk/about-the-city/how-we-make-decisions/Documents/aldermanic-appraisal-process.pdf>

<sup>58</sup> The Corporation is under an obligation to show "due regard" in its decision-making to the Public Sector Equality Duty, which requires the elimination of discrimination, the advancement of equality of opportunity between different groups, and the fostering of good relations between groups in the City's communities to tackle prejudice and promote understanding.

<sup>59</sup> At present Sir Roger Carr, Chairman of BAE Systems; Dame Elizabeth Corley DBE, Vice-Chair of Allianz Global Investors; and Lord Grimstone of Boscobel Kt, former Chairman of Barclays Bank plc and of Standard Life, appointed Minister of State for Investment in April 2020.

## *Criticisms*

216. Criticisms of the current method of appointment of the Lord Mayor have three main elements:

- The authority of appointment;
- The diversity of the Mayoralty; and, related to that;
- The accessibility of the Mayoralty

## *The authority of appointment*

217. **There is a school of thought that holds that the Lord Mayor should be elected by the Court of Common Council. I do not see this as an attractive or effective option.** Such a process will inevitably be dominated by personal and (small-p) political views, when the overriding need is to get the very best candidate to discharge a crucially influential role.

218. It may be argued that something like the updated procedure described earlier could provide a choice of candidates, perhaps ranked according to their performance in the appraisal process. I do not see this as much of an improvement. It would be open to factional decision, when what is wanted is to select the best candidate by as objective a process as possible.

219. It is welcome that a detailed job description for the post of Lord Mayor (as also for the Sheriffs) has been developed, and is available on the Corporation's website, where it is described as one of the documents that go to make up the Code of Corporate Governance.

220. I do not see job descriptions as sitting easily with an electoral process. They are tools of selection, not election. (I realise that there are job descriptions for the Chief Commoner and for Chairs of Committees, but these are more indicative than prescriptive.)

221. As I indicated in paragraph 55, I do not regard the role of the Livery acting through Common Hall as much more than symbolic. The heart of the process, in my view, has to be a professionally conducted and rigorous selection.

### *The diversity of the Mayoralty*

222. Here there is an undoubted challenge. The Mayoralty has, overwhelmingly, been held by white men. There have been only two female Lord Mayors.<sup>60</sup> The Court of Aldermen has few women Members, and even fewer Members of BAME heritage.

223. I was glad to hear that the Court of Aldermen is aware of this challenge, and also that there are expectations that, with retirements and possible new Members, there is a fairly imminent prospect that this will change.

224. Personal wealth is not an issue in the way that it used to be, as the costs of the Mayoralty (other than any personal initiatives taken by the incumbent) are borne by the City Corporation. **I would expect the Corporation to ensure that modest personal circumstances do not in future become an inhibition upon seeking the Mayoralty.**

### *The accessibility of the Mayoralty*

225. There is a diversity strand to this, but the underlying issue is: how attractive and practical is aspiration to the Mayoralty for the best possible candidates?

226. As it was described to me: “You need to be a member of several Livery Companies, preferably Master of one; then you need to be elected as an Alderman, and then go forward to be a Sheriff. The minimum period between becoming an Alderman and being Lord Mayor is six years, and the average is longer than this. So you have to ask people if they are interested in becoming Lord Mayor in about eight years’ time.”

227. This may not sit easily with the requirement in the job description that candidates for the Mayoralty “must have a significant track record and be recognised as a leader in their field, have an extensive network and also the personal qualities that will enable them to fulfil the duties of a high-profile public office”. Those who are the foremost leaders in their field may have other things on their minds than becoming Lord Mayor in eight years’ time or so.

---

<sup>60</sup> Dame Mary Donaldson, GBE DStJ, afterwards Baroness Donaldson of Lymington, Lord Mayor 1983-84, and Dame Fiona Woolf, DBE DStJ DL, Lord Mayor 2013-2014.

***An alternative approach***

228. It would be possible to take a more radical approach to the process. Serving as Sheriff is no doubt a useful apprenticeship; but it should not be necessary to dog the Lord Mayor's footsteps in order to understand the role, nor for both Sheriffs to be present on every occasion. This might assist those who are juggling demanding commitments elsewhere.

229. It might also be that the requirement to have served in the Office of Sheriff could be dispensed with. I understand that this could be achieved by Act of Common Council.

230. More radically, the present cursus could be replaced entirely, with the Court of Aldermen being given a brief to scour the City for the best candidates to be Lord Mayor in say three years' time, with the chosen candidate being given an automatic seat as an Alderman (which would probably have to be supernumerary).

231. **I do not recommend such a change now; but if the present (modified) process does not deliver both quality and diversity this is an option for the future.**

## 7

## Committees

*The system isn't working*

232. Throughout my Review, the Corporation's Committee system has been a consistent target of strong and widespread criticism – so much so, in fact, that I was surprised that it has survived in its present form. It has become a means in itself rather than a means to an end.

233. In Part 4 I identified three particular problems of the Committee system: the number of Committees; the engagement of multiple committees with a single issue; and the sequencing of meetings of Committees involved, meaning that the convoy moves at the speed of the slowest ship. In this Part of my Report I identify some general issues relating to Committees, and then move on to propose a way in which the talent and expertise of Members could be put to better use, followed by proposals for a radical restructuring.

*General issues**Are Members non-executives?*

234. In the course of my Review I was often told that Members, especially in their Committee work, should be regarded as non-execs. I do not agree. In a normal corporate environment, non-executive members sit with executive members, sharing corporate responsibility. But (except in a few cases governed by local rules) the non-execs as a group do not take decisions on their own. In Corporation Committees, on the other hand, the Members do have to take decisions. The key issue is the level at which they engage.

235. There is a temptation to micro-manage; a temptation, moreover, which is too often not resisted. Committees should set policy in their areas; agree (or secure) overall resources; review delivery and risk; and hold Officers to account – but for overall delivery, not for day-to-day activities. **This, combined with the review of delegations which I recommend later in this Report, should rebalance the Member/Officer relationship to the general benefit (and should also allow Committees to do their work with significantly fewer meetings).**



### ***Committee staffs***

236. Earlier I identified the quality of staff as a Corporation strength.<sup>61</sup> The Corporation's Committees are served by highly competent Officers, but I think that **the work of Committees might be better enabled if Committee staff felt empowered to be more pro-active**, guiding Committees to a greater degree, perhaps commissioning papers (with Chair approval) when necessary. If my recommendations on restructuring the system are accepted, they will also have a role in diplomatically assisting Committees to keep to their terms of reference.

237. I am encouraged in this view by having been at one stage responsible for the staffing of House of Commons Select Committees. In that system Clerks, while of course not supplanting the primary role of Members, feel that they have an important complementary (and self-starting) role in contributing to a Committee's effectiveness and success.

### ***Committee reports***

238. I have been impressed by the quality of the reports submitted to Committees. They are authoritative, comprehensive and well – even stylishly – written. But they are often discursive, no doubt with the best of intentions, and this can encourage Committees to lose focus on matters for decision, or indeed to request further reports. **There should be a move to much shorter reports, focused on the single issue at hand, with the matters for decision clearly identified.** If my recommendation that the Corporation should go paperless is accepted, then there will be much less need to provide background; live links to the portal will access the necessary papers, and the concept of a free-standing “for information” paper, of which – as I noted earlier – there were more than 2,000 on agendas in 2018/19, should disappear.

### ***Committee and Court minutes***

239. **There is also scope for streamlining minutes throughout the organisation.** If my recommendation for webcasting all meetings<sup>62</sup> is accepted, there will be a permanent record. Minutes can then adopt the style of the Cabinet Office, focusing on *decisions*, and recording discussion as economically as possible: “in discussion the following main points were made...”

---

<sup>61</sup> See paragraph 84.

<sup>62</sup> Paragraph 174.

### ***Cancel when necessary***

240. I have been struck by the number of very lightly loaded Committee and Sub-Committee meetings. **When there is little substantive business, Chairs should cancel meetings** (and Committee Clerks should feel free to suggest it).

241. A subset might be a planned reduction in the frequency of meetings, with the use of urgency/Chairman's decision when necessary.<sup>63</sup>

### ***Keep to Terms of Reference***

242. This should be obvious. However, terms of reference of committees have developed over time; they show some signs of political compromise; they are sometimes loosely phrased; and there are some overlaps. If my recommendations on restructuring are accepted, **there will need to be a careful revisiting of Committee terms of reference to improve clarity and minimise overlap.**

### ***Limit Sub-Committees***

243. Setting up a Sub-Committee has almost become a default setting. But if there is real discipline in Committee business, and a raising of the Member/Officer threshold, then **setting up a Sub-Committee should be very much the exception**, and the system should be greatly simplified thereby.

244. In order to achieve this, I recommend that **there should be no general Committee power to establish Sub-Committees, and that SO 27.1.a should be repealed.** Any genuinely necessary Sub-Committee should be provided for in the terms of reference of the parent Committee (as the Resource Allocation Sub-Committee is to the Policy and Resources Committee). **And there would be merit in sunsetting Sub-Committees so that explicit revival would be required if the Sub-Committee concerned were still needed.** I make further recommendations about terms of reference and Sub-Committees in paragraphs 281 and 282 below.

---

<sup>63</sup> Under SO 41.

### *Joint meetings*

245. I am told that joint meetings of Committees have proved very useful on occasion, and such meetings may have merit in the restructured system.<sup>64</sup>

### *Member briefing*

246. If the leaner Committee structure which I propose is to realise its full potential, Members will need to have a really good understanding of their own Committee's business. I do not say that this does not happen already; but there are undoubted benefits to be had if all the Members of a Committee have a shared understanding of current developments in their area, and also an insight into the challenges with which Officers are dealing. **So regular briefings, in informal surroundings, not part of a Committee meeting, have a part to play.** This has occasionally happened with existing Committees, but should become a general practice.

247. My proposals will greatly reduce the number of Committee places available; but there will be merit in involving the wider membership of the Court nevertheless. One possibility might be **occasional briefings by individual Committees and their supporting Officers, whereby any Member of the Court can keep up with other Committees' current work and challenges.** This might also encourage the sense of collective effort which is lacking at the moment.

### *Chair training and appraisal*

248. Some may see it as unnecessary or even demeaning, but a professional system requires the best possible approach to chairing, and **periodic training (even if only in the form of a mentoring discussion) should be routine.**
249. For the same reasons, **there should be a light-touch 360-degree appraisal of Chairs; and Chairs should be involved in the appraisal of senior Officers.**

### *Handling vacancies*

250. At the moment vacancies on Committees are re-advertised, sometimes more than once. Vacant Committee places may be much rarer under my proposals, but in any event I recommend that **there should be no re-advertising of Committee vacancies.** A

---

<sup>64</sup> See SO 28, and my comments on the drafting of that SO in paragraph 158.

Committee should run with a vacant place which can be filled on a casual basis later if necessary. A Member can easily find out at any time which Committees have vacancies.

### ***Green impact assessments***

251. **I recommend that a “green impact assessment” should accompany every policy or project proposal submitted to Committee.** Other impact assessments are already used (and have been used for Brexit implications) but, given the headline commitment to environmental sustainability in the Corporation’s Corporate Plan, **green impact assessments seem to me to be essential.**

252. Even though environmental awareness should pervade the organisation, **there is much to be said for assigning climate issues, and the Corporation’s response, to a lead Committee.**<sup>65</sup>

### ***Committee not Ward***

253. It is important that Members sitting on Committees should remember that as Committee Members their role is not to represent their Wards but to contribute in a dispassionate way to the Committee’s deliberations and decisions. I deal with Ward Committees in paragraphs 270 to 272 below.

## ***Making best use of the talent***

### ***The challenge***

254. There is a great deal of talent, skill and relevant experience among the Members of the Court of Common Council, but it is not effectively deployed on Committees.

255. This is partly because of the somewhat opaque method of appointment, and partly because of a culture that feels that new Members must serve an extended apprenticeship before getting Committee places that they may particularly want, or for which they are especially fitted or qualified.<sup>66</sup> This may also act as a deterrent to new Members who may have a lot to contribute to the Corporation.

---

<sup>65</sup> The Policy and Resources Committee has (Order of Appointment, paragraph 4(o)) sustainability issues as part of its portfolio, but this needs to be framed in rather more prescriptive terms.

<sup>66</sup> I acknowledge that the orders of appointment of certain committees provide that the membership should include a small number of Members with shorter periods of service on the Court; but these provisions as drafted have no link to skills and experience.

### ***A Governance and Nominations Committee***

256. I think the time has come for a wholly new approach. **I recommend the establishment of a Governance and Nominations Committee (G&NC), whose task would be to recommend Members for appointment to Committees on the basis of what they could contribute.**
257. As a first step in an appointment round, Members could put in for Committee places, setting out how they were qualified and what they could contribute.<sup>67</sup> The Committee would no doubt also take into account their attendance records at the Committees of which they had been members.
258. The Committee would make recommendations in respect of each Committee, to be decided upon by the Court. To provide a discretionary element, the Committee could recommend as appointable a number larger (by say 20%) than the number of places to be filled.
259. The same procedure could be followed with casual vacancies, or the Committee might be empowered to appoint in such cases without a Court decision.
260. As I observed in respect of the Competitiveness Committee, I am loath to recommend a new Committee while trying to simplify the structure but, as will be clear from later proposals, I have in mind that the Governance and Nominations Committee will absorb functions from elsewhere, so contributing to the overall reduction.
261. I do not make detailed recommendations about the membership of this Committee (although I think the Chief Commoner might be an appropriate *ex officio* member); but to give the Committee's nomination functions authority and credibility, **the membership should reflect the make-up of the Court of Common Council as a whole, rather than being limited to the "usual suspects"**. This does not mean, of course, that a modest number of "usual suspects" will not have a role to play in a total membership of about 15.

---

<sup>67</sup> This principle is recognised to a very limited extent in the current arrangements, as for example in the membership of the Capital Buildings Committee of two Court of Common Council Members "with appropriate experience, skills or knowledge", but the principle should operate across the whole system.

262. It may be thought that a Committee of this sort could become unduly influential; but, if applications were open, so also would be the degree to which the Committee discharged its functions objectively and impartially.

263. In paragraph 377 I list responsibilities which should go to the G&NC from Committees which I recommend should be re-organised or abolished.

## ***Restructuring***

### ***Principles***

264. I have proceeded on the basis that Committees need to align fairly closely to the activities needed to deliver the Corporate Plan. However, I do not think it wise to allow the elements of the Corporate Plan to dictate the Committee structure. Changes in the Plan should not then require changes in Committees.

265. I have rejected the possibility of each Committee having “its own” Chief Officer. Although individual Chief Officers will naturally work more closely with one Committee than with others, to formalise that relationship would be a recipe for creating silos at a time when the priority must be to break down silos and foster a corporate approach.

### ***“Grand” and “Service” Committees***

266. I do not see much point in the distinction between Grand Committees and Service Committees, and **I recommend that it is discontinued.** Committees should be simply Committees.

### ***Size of Committees***

267. Almost all Committees are much too big. The Committees/Boards listed below are in the order in which they appear in the *Appointment of Committees* document. The numbers of Members of some Committees cannot be definitive, as the orders of appointment contain provisions such “at least” and “not fewer than”.

- |                        |    |
|------------------------|----|
| • Policy and Resources | 38 |
| • Finance              | 39 |
| • Capital Buildings    | 18 |

• Investment	27
• Audit and Risk Management	16
• Planning and Transportation	35
• Port Health and Environmental Services	33
• Markets	33
• Police Authority Board	13
• Crime and Disorder Scrutiny	8
• Culture, Heritage and Libraries	35
• Governing Bodies: City of London School	21
City of London Girls' School	21
City of London Freemen's School	22
• Guildhall School of Music and Drama	21
• Education Board	18
• Community and Children's Services	37
• Gresham (City Side)	12
• Establishment	17
• Open Spaces and City Gardens	12
• West Ham Park	15
• Epping Forest and Commons	16
• Hampstead Heath, Highgate Wood and Queen's Park	18
• Freedom Applications	10
• Barbican Residential	21
• Barbican Centre Board	20
• City Bridge Trust	17
• Standards	19
• Standards Appeals	12
• Licensing	15
• Health and Wellbeing Board	13
• Health and Social Care Scrutiny	7
• Local Government Pensions Board	7

268. Committees of 30 Members or more are not really Committees; they are in effect sub-plenaries: debating bodies, not fora for taking decisions. Even the smaller Committees in the list above are unwieldy; and the three Boards of Governors, together with the Boards of the Guildhall School of Music and Drama and of the Barbican Centre, are well above the recommended size for such bodies. I return to this latter point in Part 9 of this Report.

269. **I recommend that Committees should have no more than 15 Members, with an optimum size of between 12 and 15.** It may be that Planning and Transportation may need to be slightly larger in order to cope with the need to provide non-overlapping panels to consider applications.

### ***Ward Committees***

270. I can see no argument for the retention of Ward Committees. I have been told that they are desirable because they give new Members a chance to serve on Committees. I suggest that that clearly indicates that Ward Committees are there to provide a role, not to do a job, and I am not convinced.
271. **I therefore recommend the abolition of all the Ward Committees as Ward Committees: Finance; Planning and Transportation; Port Health and Environmental Services; Markets; Culture, Heritage and Libraries; and Community and Children's Services;** Where their role survives into the new structure, they should be reconstituted as subject Committees of between 12 and 15 Members.
272. This means that **SO 23 should be repealed and SO 24 amended.**

### ***Multiple membership***

273. SO 22 sets a maximum number of Committees on which Member may serve at eight. Moreover, the limit does not apply to additional, *ex officio*, membership of Committees; and it also allows membership of a Committee on which a Member is filling a twice-advertised vacancy to be added above the limit. I find this extraordinary. It also suggests that a Committee's work is not sufficiently valued. Full participation in a Committee's work, taking into account time needed for preparation and for events outside a Committee's formal sittings, should be demanding and will be time-consuming.
274. Setting *ex officio* memberships outside the limit is illogical. Such memberships will usually be because the Member concerned chairs another, relevant, Committee. That should mean more work, not less, if the liaison role is to be carried out effectively.



275. I recommend that

- **no Member should be a member of more than two Committees;**
- **that membership of *one* of the governing bodies of the independent schools and of the Guildhall School of Music and Drama; of the Barbican Centre Board; and of the Police Authority Board should not count against this limit (I later recommend that these Boards should be taken out of the committee structure);**
- ***ex officio* membership of a Committee or Committees should raise the limit to four. It may occasionally be that a single Chair carries with it more than four *ex officio* memberships. In such cases the limit should not apply; and**
- **SO 22 is amended accordingly.**

### ***Service on outside bodies***

276. SO 43 provides that a Member may not serve as a representative of the City Corporation on more than six outside bodies at a time. This does not include *ex officio* appointments. This limit seems high, but on the basis that such membership may not be unduly demanding **I do not recommend a change.**

### ***Chair terms***

277. SO 29 specifies the terms<sup>68</sup> for which a Chair may be held: Policy and Resources, five years; Finance, five years; the Police Authority Board, four years; and other Committees, three years. These seem reasonable, but for consistency **there is a case for making all Chair terms four years.**

### ***Deputy Chairs***

278. Under SO 30.3.a, an immediate past Chair becomes Deputy Chair for the first year of the new Chair. I do not think that this is a good idea, and is certainly not in accordance with current best practice. The new occupant of the Chair needs to start a term afresh

---

<sup>68</sup> Expressed in years consecutively.

without the possibly brooding presence of his or her predecessor. Any guidance from experience that may be needed can be drawn upon informally. **I therefore recommend that a Chair ending a term of office should not be eligible to rejoin that Committee during the successor's term of office. The SO will need amendment accordingly.**

### ***Chairs-in-waiting***

279. There is a current practice whereby the Member who is to take the Chair is identified and becomes a Chair-in-waiting for two years. This seems an unnecessarily long time. A year should be long enough.

### ***Member terms***

280. There will be a degree of “institutional churn” as a result of elections, personal preferences and other factors. However, there are examples of Members remaining on Committees for a very long time. **I therefore recommend that the maximum period of service on a Committee should be eight years, with four years to pass before rejoining. *Ex officio* memberships should be excluded from this rule. SO 24 will need to be amended accordingly.**

### ***Committee terms of reference***

281. Under SO 21 Committees are “reconstituted” each year at the first regular meeting of the Court in April. The terms of reference of each Committee are included in the *Appointment of Committees* document. The opportunity is frequently taken by individual Committees to seek amendment of their terms of reference, and such requests are routinely approved. **This seems to me to be a recipe for mission creep and overlap.**

282. **I therefore recommend that:**

- **following the restructuring of the Committee system, the terms of reference of each Committee should be in its own Standing Order;<sup>69</sup> and that**
- **amendment of any set of terms of reference (including a request to establish a Sub-Committee) should be considered by the Court only following a recommendation by the Governance and Nominations Committee.**

---

<sup>69</sup> And so not combined with the Order of Appointment.

### ***Aldermanic seats***

283. Even though they have their own Court of Aldermen, Aldermen sit as Members of the Court of Common Council, and, depending upon the terms of reference of individual Committees, have seats reserved for them.
284. In order to draw fully upon the resource represented by the Aldermen, **I recommend that there should be no bar, formal or by convention, to an Alderman being Chair of any Committee.**
285. If Aldermen were to be represented *pro rata* in the new Committee structure, they would account for one seat in every five. However, I do not recommend reserved places, which may well vary from Committee to Committee; this will be something for the new Governance and Nominations Committee to consider in making their recommendations.

### ***“Rapporteurs”***

286. In the leaner Committee structure, taking into account the considerable workload that will continue to fall upon Chairs of Committees, there may be a role for *rapporteurs*, in the Continental usage: Members taking the lead on particular subjects within a Committee’s area. This happens to some extent already, but in the context of smaller Committees it may be worth using more extensively.

### ***The new Committee structure***

287. I deal with the current Committees in the order in which they appear in the *Appointment of Committees* document. New Committees appear in the place of a Committee I propose that they should absorb. An annotated list of Committees, reflecting my recommendations, is at Appendix F.

### ***The Policy and Resources Committee***

288. I am aware of a feeling amongst Members that the P&RC has become in effect a Cabinet, even though the formal power to apply “executive arrangements” under Chapter 2 of the Local Government Act 2000 does not apply to the Corporation.

289. Nevertheless, the Corporation needs a co-ordinating Committee to take the lead in pursuing its corporate aims; and that Committee needs to draw together, through the membership of certain Chairs of other Committees, the Corporation's work as a whole. P&RC will need to be much smaller in order to operate effectively and provide a dynamic at the centre of the organisation.
290. I suggest that **the remodelled P&RC should have as *ex officio* members the Chairs of Governance and Nominations (new Committee), Finance, Property (new Committee), Planning and Transportation, Port Health and Environmental Services, the Police Authority Board, Community and Children's Services, and Culture, Heritage and Libraries (to be renamed "Culture");** a total of eight seats out of an ideal of 15.
291. **The Deputy Chairs of Finance and of Investment (which latter Committee in any event I recommend abolishing) should not have seats;** but the Deputy Chair of Finance could deputise for the Chair if necessary.
292. The Lord Mayor should remain as an *ex officio* member, reflecting the importance of drawing Guildhall and Mansion House more closely together, even though the demands of office mean that the incumbent may often not be able to attend.
293. The Chief Commoner has an important role to play in the Corporation more generally, but I do not see that post as a strong contender for *ex officio* membership of the Committee, although the Chief Commoner would be an appropriate *ex officio* member of the Governance and Nominations Committee.
294. **There should not be seats for any Members who have seats in Parliament. This is an historical survival, which should end.**
295. **Residential representation on the Committee should end; it is not an appropriate element for the issues with which P&RC has to deal.** It also institutionalises the confusion between Committee responsibilities and Ward representation.<sup>70</sup>

---

<sup>70</sup> See paragraph 253.

296. The system of having three Deputy Chairs of this Committee does not seem to have worked well; it has led to a degree of confusion of roles, and should be discontinued. **One designated Deputy Chair is enough.**

### ***Sub-Committees of P&RC***

297. **The Resource Allocation Sub-Committee should continue.**  
Of the other Sub-Committees:

- **Courts:** this was set up in 2016 and is due to be sunsetted in 2021. **It should be abolished now**, in view of the fact that the General Purposes Committee of the Court of Aldermen is equipped to deal with Courts issues;
- **Hospitality (working party):** as I suggested in paragraph 191, hospitality issues will need to be co-ordinated with the broader competitiveness agenda, and **so should fall to the Competitiveness Committee**, not needing a separate Sub-Committee;
- **Members' Privileges:** this rarely meets, and will naturally **fall to the Governance and Nominations Committee (GNC)**, which should not need a separate Sub-Committee to deal with any business under this head;
- **Outside Bodies:** does not appear to have met since January 2018. It is in any event very lightly loaded and **any residual functions should be transferred to the Governance and Nominations Committee (GNC)**, which should not need to set up a Sub-Committee to discharge them;
- **Projects:** **to be taken on by the new Property Committee;** and
- **Public Relations and Economic Development:** with the establishment of the Competitiveness Committee, **this is unnecessary and should be abolished;**

### ***Finance Committee***

298. I see no need for a separate Investment Committee, especially as this is a Committee which seems to have had a tendency to follow

its own, rather than a corporate line. **Accordingly I recommend folding the Investment Committee into the Finance Committee**, which is perfectly capable of discharging this function (some functions may fall to the Property Committee I recommend below). Of the existing Sub-Committees of the Finance Committee:

- **Corporate Assets:** the business of this Sub-Committee includes some relatively low-level items which might be dealt with under revised delegations to Officers. In any event, its business seems appropriate to be dealt with by the new Property Committee which I recommend. **It need not be retained.**
- **Digital Services:** digital services as a responsibility of a finance committee is a frequent survival in many organisations, but has been overtaken in the modern context. If digital services are not to be the task of a separate Committee (and there are arguments in favour of that solution) **then it should be the responsibility of the G&NC, and will need to be a Sub-Committee of that Committee.**
- **Efficiency and Performance:** I think that this Sub-Committee should struggle to survive, given its very light loading. **It should be absorbed into the Audit and Risk Management Committee;**
- **Finance and Grants Oversight:** I do not think that the level of business warrants the existence of this Sub-Committee, nor its being under the wing of the Finance Committee. **The new Bridge House Estates Committee can fulfil this function;**
- **Procurement:** this Sub-Committee **has a continuing role to play, even though its scrutiny thresholds are much too low.**

299. **The Social Investment Board, at present reporting to the Investment Committee, should be abolished** as its functions will be absorbed by the new Bridge House Estates Committee (see paragraph 369 below).

### ***Property Committee (new Committee)***

300. At the moment there is insufficient co-ordination and oversight, and there is a dilution of decision-making and

accountability across several committees. **I recommend the establishment of a new Property Committee to bring together all the City's property functions**, including the Property Investment Board; the Markets Committee (so far as this needs to be a Committee responsibility in its current form); the Capital Buildings Committee; the Projects Sub-Committee of P&RC; and any residual functions of the Barbican Residential Committee (which I recommend should be abolished).

301. Through subordinate but empowered Project Boards, this Committee should be in a position to ensure tight programme co-ordination and oversight, with the members of those bodies developing a real understanding and knowledge of the projects they are overseeing.

302. There might be an argument for putting the Open Spaces Committee into this new Committee, but I think it is better kept separate, not least as a way of folding in the various Open Spaces and Parks Committees.

### ***Capital Buildings Committee***

303. See the new Property Committee.

### ***Investment Committee***

304. See the Finance Committee.

### ***Audit and Risk Management Committee***

305. There are good governance reasons for having a separate Audit Committee, with which Risk Management normally sits comfortably. **The Committee should take on the responsibilities of the Efficiency and Performance Sub-Committee of the Finance Committee (but without setting up a Sub-Committee to do so).**

### ***Planning and Transportation Committee***

306. **This should continue with its present responsibilities (but with a sharply reduced membership).** The statutory functions of the Committee are set out in Appendix G.

307. The planning process will be effective and resilient if the Committee majors on setting a strategic and policy framework.

Applications are then more easily dealt with by Officers<sup>71</sup>, leaving the Committee to deal with substantial or strategic cases, potential breaches of policy, or contentious issues.

308. It is important to emphasise that the purpose of examining planning proposals is to provide dispassionate assessment and compliance with agreed policies, not to debate on behalf of electors.
309. **Where Member consideration of proposals is required, this should be through small panels. No Member should sit on a panel considering an application in his or her Ward, or which might affect his or her Ward.** It has been suggested to me that there should be standing geographical panels, but I do not agree; there is a risk that such an arrangement can become cosy. The panels should be assembled afresh as required.
310. I am aware of concern that it is harder to maintain absolute propriety in the case of a small planning committee by comparison with a large one. This may possibly be the case; but *ad hoc* panels, with visibility by the Committee, should minimise this risk.
311. I have been asked to consider the possibility of conflict when the Corporation is both the developer and the planning authority, and this may be a convenient place to deal with the issue. I have helpfully been provided with papers for four contentious applications which help expose the issues.
312. Regulation 10 of the Town and Country Planning General Regulations 1992<sup>72</sup> governs arrangements for taking decisions on planning applications. It prohibits the decision being taken by a committee, sub-committee or officer if any of them has any responsibility for the management of any land or building to which the application relates. The Corporation is subject to this requirement.
313. The issue is also covered by the Corporation's Planning Protocol, which forms part of the Code of Governance, and which says: "A Member of the Planning and Transportation Committee who is, at the same time, a member of a City of London Corporation committee responsible for a site or building that is the subject of an

---

<sup>71</sup> As 97% of cases are at the moment.

<sup>72</sup> S.I., 1992, No. 1492.



application does not, by that fact, have an interest that is disclosable under the Code of Conduct.”<sup>73</sup>

314. This is in my view too lax. **It does not meet the accepted conduct standard of something which may be *perceived* to give rise to bias, and should be amended or removed.**
315. The Planning Protocol also says that if a Member of the Planning and Transportation Committee is a member of another Committee which is the applicant or which has taken a view on the application, he or she should not participate in the decision on the application.<sup>74</sup> **This should be amplified to include participation in consideration or debate, not merely decision.**
316. The restructuring of Committees is an opportunity to distance the planning function from the proprietorial; **I recommend that no member of the new Property Committee should be eligible for appointment to the Planning and Transportation Committee.** This will not of course entirely remove the possibility of conflict, which may arise in respect of other functions, including Open Spaces, the Schools, the Guildhall School of Music and Drama, the Barbican Centre and the Police Authority Board; but it reduces the possibility of institutionalised conflict.
317. The Committee has two Sub-Committees at the moment: Local Plans and Streets and Walkways. Local Plans is lightly loaded but I do not see a pressing case for its absorption into the main Committee. Streets and Walkways has a useful portfolio of its own.

### ***Port Health and Environmental Services Committee***

318. Apart from reducing its size to the new 12-15 Member norm, I have no other recommendation to make. The Committee’s statutory obligations are set out in Appendix G.

### ***Markets Committee***

319. I acknowledge the strong sense of connection that many members of this Committee feel with the markets and their development; but it is a lightly loaded Committee which meets every two months. Much of the routine business can be left to Officers and

---

<sup>73</sup> Paragraph 7(5).

<sup>74</sup> Paragraph 10.

the consolidation project will fall to the new Property Committee. **I recommend that it should be abolished.**

### ***Police Authority Board***

320. I deal with the Police Authority Board in Part 9.

### ***Crime and Disorder Scrutiny Committee***

321. The Police and Justice Act 2006 requires relevant authorities (which includes the Corporation) to have a “crime and disorder committee” to “review or scrutinise decisions made, or other action taken....in discharge...of crime and disorder functions” and “to make reports or recommendations to the local authority with respect to the discharge of those functions”.<sup>75</sup>

322. The Act allows the Common Council itself to act as the Crime and Disorder Scrutiny Committee, but this would not be a practical arrangement, and it has never done so. However, the Committee appointed by the Corporation to comply with its duties under the Act has met only once, on 7<sup>th</sup> July 2016, some ten years after the statutory duty was imposed; and it has not met since.

323. **As it is a statutory requirement to have such a Committee I can hardly recommend its abolition, but this situation perhaps calls for some re-examination.**

### ***Culture, Heritage and Libraries Committee***

324. **I suggest that the somewhat tautologous title is simplified to “Culture Committee”.**

325. The Committee has only one Sub-Committee: the rather niche Benefices Sub-Committee. **I see no reason to change its status.**

326. I have been urged to put the Barbican Centre Board under the wing of the Culture Committee, but I make a different recommendation in Part 9.

327. **The Keats House Consultative Committee should be treated in the same way as the bodies covered by the Open Spaces Committee (see paragraphs 341 to 348) and the separate existence of the Consultative Committee ended.**

---

<sup>75</sup> Section 19.

328. Apart from reducing the size of the Committee to the new norm of 12 to 15 Members, I have no other recommendation to make.

***Board of Governors of the City of London School***

***Board of Governors of the City of London School for Girls***

***Board of Governors of the City of London Freeman's School***

***Board of Governors of the Guildhall School of Music and Drama***

329. I make recommendations in Part 9 which would result in these Boards being taken out of the Corporation's Committee structure.

***Education Board***

330. It has been suggested to me that a new Education Committee could take in the Education Board, the Independent Schools and the Guildhall School, combining this with responsibility for employment and skills. But, given the recommendations to which I have just referred, **I am content to make no recommendation in respect of the Education Board.**

***Community and Children's Services Committee***

331. Apart from reducing the membership, **I have no recommendation to make.** A possible amalgamation might have been with the Culture Committee to form a Community Services Committee, but I think that the resulting portfolio might have been unwieldy, especially with a smaller membership.

332. This Committee has four Sub-Committees: Housing Management and Almshouses; Safeguarding; Integrated Commissioning; and Homelessness and Rough Sleepers. **All appear to have a part to play, and I do not recommend change.** However, with the reduction in size of the parent Committee, the Sub-Committees will have to be relatively small, with some overlapping membership.

***Gresham Committee (City Side)***

333. I appreciated the opportunity to discuss the role of this Committee with the Master of the Mercers' Company, as the Mercers provide the "other" side of the Committee. So far as this Review is concerned, the Committee is a single-purpose Committee; it needs to continue, and there is no convenient or sensible amalgamation. **I therefore make no recommendation.**

### ***Establishment Committee***

334. The Establishment Committee made a collective submission to my Review. In this Report I have not quoted from individuals, but as this was a collective view I have referred to it specifically.
335. The Committee made a case for its continuing separate existence and for its statutory duties to be maintained uninterrupted. The list of the Corporation's statutory duties with which I have been supplied does not include any of the elements of the Establishment Committee's terms of reference.
336. Those terms of reference<sup>76</sup> include a number of reactive functions, and some which should be Officer and not Member responsibilities. The submission asserted that the Corporation has a statutory duty to maintain an independent remuneration scrutiny function, which I take as relating to remuneration of senior officers. The duty to set and comply with a Pay Policy Statement under Chapter 8 of the Localism Act 2011 is a full Council, not Committee, function.
337. The Committee also quoted the UK Corporate Governance Code as promoting "the importance for large organisations to maintain a standalone HR focused Committee". This should perhaps be put into context; the Code is explicitly designed for the private sector,<sup>77</sup> and a standalone HR focused committee is only one of three methods it suggests for "engagement with the workforce".<sup>78</sup>
338. One point made by the Committee has a particular resonance; the need to keep the staff-focused function separate from the finance-focused function; and the Committee argued against a merger with the Finance Committee. **I endorse this view.**
339. However, I do not see a compelling case for the Committee to continue as a separate body. **I therefore recommend that the Establishment Committee is abolished, and that those of its functions for which there is a continuing need should be transferred to the new Governance and Nominations Committee (G&NC).**

---

<sup>76</sup> *Appointment of Committees 2019/2020*, pages 30 and 31.

<sup>77</sup> See *UK Corporate Governance Code 2018*, page 3: "This Code is applicable to all companies with a premium listing".

<sup>78</sup> *ibid.*, paragraph 5.

340. Those functions (or rather, the current terms of reference) will need to be trimmed to address the points above. Possibly the most significant is the present Committee's oversight of diversity issues, which I suggest should be a specific task of the G&NC.

### ***Open Spaces and City Gardens Committee***

341. At the moment this Committee has 12 members and so complies with the Committee size that I have recommended. But it may need a modest increase in numbers to discharge the functions that I have in mind.

342. The formal functions of the Committee are relatively few, and some ("management and day-to-day administration of the gardens, churchyards and open spaces in the City" and making dangerous trees safe) are evidently for Officers and not for a Committee.

343. But the Committee stands in effect at the centre of an extensive structure of 11 Committees, Consultative Committees and Consultative Groups concerned with the open spaces of various kinds for which the Corporation is responsible:

- West Ham Park Committee<sup>79</sup>
- Epping Forest and Commons Committee
- Hampstead Heath, Highgate Wood and Queen's Park Committee
- Ashted Common Consultative Group
- Burnham Beeches and Stoke Common Consultation Group
- Epping Forest Consultative Committee
- Epping Forest Joint Consultative Committee
- Hampstead Heath Consultative Committee
- Highgate Wood Consultative Group
- Queen's Park Consultative Group
- West Wickham, Spring Park and Coulsdon Commons Consultation Group

344. Appendix G sets out the statutory, testamentary or other requirements which underpin the separate existence of all these bodies. I understand that it has generally been assumed that, given

---

<sup>79</sup> The membership of this Committee is identical to that of the Open Spaces and City Gardens Committee.

the difficulties of changing these requirements, the bodies must remain distinct, as they are now.

345. **However, I think there should be a different and radical approach. If the Open Spaces and City Gardens Committee were to take on the responsibilities of all these bodies, then they would cease to have a separate existence, with a welcome and substantial simplification of the Committee structure.**

346. But the statutory, testamentary and other obligations would still be discharged. The parent Committee would simply constitute itself as “the Committee acting on behalf of the Corporation in accordance with the terms of conveyance of the [West Ham] Park by John Gurney, Esq. to the City of London Corporation dated 20<sup>th</sup> July 1874 and the Charity Commission Scheme from 1991” or “the Committee acting on behalf of the Corporation in accordance with the Epping Forest Acts 1878 and 1880 (as amended)”, and so on.

347. Any charitable responsibilities attributable to the individual bodies could be discharged by the Open Spaces and City Gardens Committee on the same principle.

348. So far as business is concerned, agendas could be arranged to reflect the mode in which the Committee was operating. And it may be that increased use of video-conferencing will allow the consultative roles to be discharged more easily and effectively.

349. **The authority of a Resolution of the Court of Common Council in appropriate terms would put matters beyond doubt.**

350. I note the existence of a related body, the Wanstead Park Working Party, but as this has not met since 2016 **it should be wound up.**

351. I suggest that the parent Committee’s title, which is somewhat tautologous, **should be simplified to “The Open Spaces Committee”.**

### ***Freedom Applications Committee***

352. This is a Committee with the limited task of considering the Freedom, Honorary Freedom and related matters (applications, nominations, and so on. Paragraph (d) of its terms of reference, “to consider matters relating to the general use of the Freedom, such as

for City of London Corporation policy objectives”, suggests that it should keep in touch with any priorities identified by the Competitiveness Committee. **I make no other recommendation.**

### ***Barbican Residential Committee***

353. This Committee’s task, according to its terms of reference, is entirely one of management.<sup>80</sup> If that is the case, I cannot see why it should exist as a Corporation Committee. So far as the interests of the Corporation are concerned, that function can be dealt with by Officers. So far as the internal arrangements are concerned, those can surely be made by the residents themselves.

354. I note that the business of this Committee has given rise to a significant number of standards and conduct issues. As it was described to me, the Committee “has conflict of interest hard-wired into it.”

355. I also note that there are Corporation tenants elsewhere in the City who do not have a dedicated Committee.

356. **I have no doubt that the Barbican Residential Committee should be abolished, and I so recommend.** The Barbican Estate Residents Consultation Committee is not a Committee of the Court, and so I make no recommendation. It may be that in the wake of the abolition of the Barbican Residential Committee the Corporation will review its mechanisms for consulting and engaging with residents; if so, it would be as well to include all residents, not simply those of the Barbican Estate.

### ***Barbican Centre Board***

357. I make recommendations in Part 9 which would result in the Barbican Centre Board being taken out of the Corporation’s Committee structure.

---

<sup>80</sup> “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)”.

## ***City Bridge Trust Committee***

### ***Background***

358. It may be worth mentioning the broader issue of the Corporation's functions as charity trustee and appointer of charity trustees, as the present situation should be the cause of some unease to the Corporation.

359. The modern legal duties of charity trustees are uncompromising and indeed demanding. They include:

- only to promote the charitable purposes of the charity;
- To comply with the charity's governing documents, and with the law;
- to take decisions only when these are consistent with the charity's objects and powers;
- to act only in good faith and only in the best interests of the charity (which may include managing potential conflicts of interest);
- to safeguard and protect the assets of the charity; and
- to act with reasonable care and skill.

360. These duties may not seem problematical in theory, but in a complex environment discharging them may not be easy. The problem for the Corporation is that what should be a clear picture of trustees discharging these duties is greatly obscured by the involvement of multiple committees whose decisions may impact upon the operation and interests of the charities. In the current structure, the Policy and Resources Committee, the Finance Committee, the Audit and Risk Management Committee, the Finance Grants Oversight and Performance Sub-Committee and the Committees involved in any way in providing support services may all be involved to some degree.

361. In turn this risks weakening the administration of the charities concerned and the freedom of decision of trustees, which will open the Corporation to criticism and possible reputational damage.



362. I was glad to find that a Corporate Charities Review is in progress.<sup>81</sup> It seems to be focused in exactly the right way, and I therefore make no further comment on the broader issue, but now turn to the specifics of the City Bridge Trust Committee and Bridge House Estates.

### ***The Committee and Bridge House Estates***

363. The Committee is charged with administering the Bridge House Estates charity.<sup>82</sup> The charity's primary purpose is to maintain five bridges across the Thames; surplus income may be used for more general purposes within Greater London – the “ancillary object”.
364. This charity is a so-called *cy-près* scheme; that is, one which allows the wishes of a donor or donors to a charity to be carried out even if the original purpose of the gift has failed. The Charity Commission has the power to apply the *cy-près* doctrine as appropriate.
365. The Bridge House Estates (BHE) charity is a very large one – in terms of asset valuation, the seventh largest in the UK, and its governing documents are complex, originating over a period of more than seven centuries.
366. Unfortunately its governance exhibits all the weaknesses of charity governance referred to in paragraphs 359 and 360 above, and represents serious legal and reputational risks. No fewer than 19 Corporation Committees and other bodies impinge upon the charity in some way.
367. I have been presented with a proposal that would address these weaknesses. It would create a Bridge House Estates Committee (BHEC) replacing the City Bridge Trust Committee, and exercising management and control of BHE. The Corporation would remain the charity Trustee with overall responsibility, and certain high-level decisions would be taken by the Court of Common Council.

---

<sup>81</sup> The charities within scope of Phase One of the review, generally where the Trustee is the Corporation acting through the Court of Common Council, are listed in Appendix H.

<sup>82</sup> Charity No. 1035628, in accordance with a Scheme made by the Charity Commissioners on 9<sup>th</sup> February 1995 (as amended) and brought into effect by the Charities (The Bridge House Estates) Order 1995.

368. Crucially, this arrangement would remove the complex involvement of multiple Committees entirely, and leave the management of the charity in the hands of the BHEC.
369. The proposal envisages the BHEC being supported by five Sub-Committees: Bridge Management; Grants;<sup>83</sup> Finance; Investment; and Audit and Risk. This is more than ideally I would like to see, and it might be that the finance function could be discharged by the main Committee. The responsibilities of the Social Investment Board, which I earlier recommended should be abolished,<sup>84</sup> would be vested in one of the Sub-Committees, probably Grants.
370. A key element of the new arrangements will be the opportunity to have a properly constituted and empowered (and accountable) charity board. Best practice suggests that such a board should have no more than 12 members. Those who are Members of the Court of Common Council should be nominated by the Governance and Nominations Committee, taking into account the mix of skills required by the Board. Given the risk of re-introducing the conflict problem, it would be best to have no *ex officio* places.
371. The remaining members of the Committee would be external co-opted members, recruited by due process, again to contribute to the appropriate mix of skills.
372. **I recommend that this proposal should be urgently pursued, to lead to the creation of a Bridge House Estates Committee; and that the City Bridge Trust Committee should be abolished.**

### ***The Standards Committee and the Standards Appeals Committee***

373. In the next Part of the Report I consider the standards regime, and conclude that the Standards Committee (and with it the Standards Appeals Committee) should be abolished and replaced with a new system.

### ***Licensing Committee***

374. This is a statutory Committee, responsible for the Corporation's licensing functions under a number of legislative

---

<sup>83</sup> Termed the Trust Sub-Committee in the proposal.

<sup>84</sup> See paragraph 299.

provisions.<sup>85</sup> **I have no recommendation to make in respect of the Committee's terms of reference** but, as with the planning process, it is essential that Members representing affected Wards are taken entirely out of the decision-making process, if necessary by the use of *ad hoc* panels.

### ***Health and Wellbeing Board and Health and Social Care Scrutiny Committee***

375. The Board and the Committee discharge relatively narrow statutory duties and **I see no need for change.**

### ***Local Government Pensions Board***

376. This is a single-purpose Committee with focused statutory responsibilities. **I do not recommend any change.**

### ***Functions to be transferred to the Governance and Nominations Committee (G&NC)***

377. In addition to its responsibilities for nominating Members to Committees on the basis of experience, knowledge and skill, there are functions which I suggest should be moved to the G&NC from Committees which I recommend should be reorganised or abolished:

- **digital services** (from Finance);
- **diversity, equality and inclusion** (from Establishment); **this should also take in the Member Diversity Working Party;**
- **revision of Codes of Conduct** (from the former Standards Committee) and other Code of Governance documents as necessary (from Standards);
- **overseeing Member training;**
- **Standing Orders** (from Policy and Resources);
- **Members' privileges, facilities and development** (from Policy and Resources);
- **outside bodies** (from Policy and Resources);

---

<sup>85</sup> See Appendix G.

- **resolving overlaps and conflicts between Committees** (from Policy and Resources);
- **senior appointments and remuneration** (from Establishment)

It is important that these functions do not lead to a proliferation of Sub-Committees. Digital services and diversity (and perhaps senior appointments and remuneration) may be candidates for Sub-Committee treatment; but the other responsibilities should be for the full Committee.

### ***Reference Sub-Committees***

378. Seven “Reference Sub-Committees” appear on the list of Corporation Sub-Committees. Two relate to Committees that I recommend should be abolished (Barbican Residential and Markets); and two relate to the Barbican Centre and the GSMD, which I recommend should be taken out of the formal structure.
379. The remaining Reference Sub-Committees (Licensing, Committee of Aldermanic Almoners, Common Council Governors and Donation Governors of Christ’s Hospital, and Port Health and Environmental Services) **should be abolished**.
380. More generally, the concept of a Reference Sub-Committee (which I take to be set up just in case something needs to be referred to it) seems misplaced. **The presumption should be that such Sub-Committees should not be established** (and with the constraints I recommend upon Committees establishing Sub-Committees<sup>86</sup> the issue may not arise).

### ***Delegations***

381. **The restructuring of the Committee system should provide an opportunity to review the system of delegations, both financial and decision-making.**
382. I do not offer specific recommendations on this, but my Review has confirmed my suspicion that **delegations are generally set at much too low a level, and that they do not assist the distinction between setting high-level strategy and plans (in**

---

<sup>86</sup> See paragraphs 243 and 244, and 282.

**which Committees should of course be fully involved) and more detailed matters which are more appropriately left to Officers.**

383. One good example is SO 52 relating to write-offs, where decisions are for Committees to take, and where the limits are set extraordinarily low, any write-off of more than £10,000 having to be approved by the Finance Committee. A limit of £3,500 per term for the writing-off of school fees seems very low; but if my recommendations are implemented, such decisions will be for Boards of Governors to take.
384. There will in any need to be a different approach to the institutions whose freeing from the Committee structure I recommend. There the approach will have to be to set financial envelopes and broad principles for the purchase of services, but with the processes determined locally.
385. **Any review of delegations should be repeated at regular intervals, both as to financial limits, but also to ensure that delegations remain appropriate in the light of the changing operations of the Corporation and its Committees.**

## 8

# Standards and Conduct

### *The statutory requirement*

386. The Localism Act 2011 replaced the conduct regime of the Local Government Act 2000 with rather less prescriptive requirements, and no effective sanctions (except in the case of non-registration of interests<sup>87</sup>). The Corporation is subject to the 2011 Act's requirements in respect of standards and conduct, in its capacity as a local authority and also as a police authority. It has chosen to apply its standards and conduct arrangements to all its functions, even if these are not of a local authority type.

387. The 2011 Act provides that “a relevant authority [which the Corporation is] must promote and maintain high standards of conduct by members and co-opted members of the authority”.<sup>88</sup>

388. The Act requires the adoption of “a code dealing with the conduct that is expected of members and co-opted members of the authority when they are operating in that capacity”.<sup>89</sup> Such a code must be consistent with the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

389. Under the 2000 Act, authorities had to have standards committees chaired by an independent person. Under the 2011, all that is necessary is that there should be “arrangements”:

“arrangements under which allegations can be investigated; and

“arrangements under which decisions on allegations can be made.”<sup>90</sup>

390. The arrangements must also include the appointment of “at least one independent person

---

<sup>87</sup> Section 34 introduced a new criminal offence of failing to declare or register a pecuniary interest.

<sup>88</sup> Section 27(1).

<sup>89</sup> Section 27(2).

<sup>90</sup> Section 28(6).

“whose views are to be sought, and taken into account, by the authority before it makes its decision on an allegation that it has decided to investigate.”<sup>91</sup>

391. The Corporation decided to discharge the duty to have “arrangements” by setting up a Standards Committee. This consists of two Aldermen, ten Common Councillors and five (previously four) co-opted (external and independent) members.
392. The Committee has the task of promoting and maintaining high standards of conduct; maintaining the Code of Conduct and the Protocol on Member/Officer Relations, and associated guidance; advising and training Members and co-opted Members on conduct matters; monitoring allegations referred to it, and assessing and hearing such allegations; deciding on whether allegations should be investigated; deciding on whether a breach has occurred; and determining an appropriate sanction.
393. There is nothing out of the way about these functions; they are similar to those in the arrangements made by many authorities, and they are broadly similar to those under the previous statutory regime.
394. I will not rehearse the detailed provisions and processes; they are dealt with thoroughly and very well in the Independent Review by Charles Bourne QC,<sup>92</sup> who also makes observations on how they might be improved, and I return to some of these below.

### ***The experience of the Standards Committee and the conduct regime***

395. I must first acknowledge the efforts made by all those who have tried to make the standards regime work as intended. They have done so in good faith, and are not to be blamed for the present situation.
396. However, the Corporation has now got to the point where I do not think that it is sensible or practical to try to repair the current arrangements, nor to try and reconstitute the Standards Committee along new lines.

---

<sup>91</sup> Section 28(7).

<sup>92</sup> *An Independent Review by Leading Counsel of the Arrangements made under the Localism Act 2011 by the City of London Corporation for Addressing Matters Connected with the Conduct of Members and Co-opted Members*, December 2016.

397. The problems appear to have started in 2015 with the first complaint against a Member to reach the investigation stage. The Member was found, both at the initial hearing and on appeal, to have breached the Code of Conduct. Information about this complaint in the Standards Committee's Annual Report of 23 June 2016 included the name of the Member concerned, and on that account provoked widespread criticism of the process.
398. From there things seem to have gone downhill, with the Standards Committee and its members being subjected to frequent criticism, sometimes expressed in unacceptably discourteous terms. The Standards Committee commissioned the independent review from Charles Bourne QC to which I have referred. Following that review, the Court established a Standards Regime Review Working Party, separately from the Standards Committee.
399. That Working Party, and subsequent consideration by the Court, rejected the Bourne Report's recommendation that undertaking training in standards and conduct matters should be a prerequisite for being appointed to any Corporation Committee. It also ignored Mr Bourne's warning about splitting decision-making on appeals, providing that the new Appeal Panel, independent of the Standards Committee, should be able to substitute a new decision on appeal (on the papers only) rather than refer the case back to the Standards Committee for reconsideration.
400. However, the Bourne Report led to the establishment of new complaints procedures, and a revised Code of Conduct and guidance from March 2018. A Standards Appeals Committee was also established.
401. Unfortunately the new procedures did not receive practical backing from the Court. A complaint was made against a Member; after hearing and appeal he was found to have breached the Code of Conduct, and the Standards Committee recommended that he be suspended for twelve months from the Standards Appeals Committee, of which he was a member.
402. However, when in March 2020 the matter was reported to the Court of Common Council for endorsement, the Court declined to do so. The debate illustrated the weakness of the Corporation's approach to matters of Member conduct. In the debate the appropriateness – or otherwise – of the whole process was revisited; arrangements



previously approved by the Court were criticised; and the case was rehearsed without adequate evidence.<sup>93</sup>

403. The handling of Standards matters has involved significant cost. At one time or another, four Silks have been involved, together with external investigators. To date the total cost, including the internal costs of running the Ethical Framework, is more than £500,000, which is wholly disproportionate.

### ***Dispensations***

404. The standards mix has been made more toxic by a long-running dispute over the granting of dispensations.
405. The Localism Act 2011 replaced the 2000 Act's provisions relating to personal and prejudicial interests with a scheme for "disclosable pecuniary interests" (DPIs).
406. Interests which may give rise to a DPI are listed in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012<sup>94</sup>. They fall into the following categories: employment, office, trade or profession; sponsorship (of the Member concerned by a third party) a current contract for goods or services; beneficial interest in land in the authority's area; licence to occupy land in the authority's area; tenancy with beneficial interest; and beneficial interest in securities of a body based in the authority's area. A Member's spouse, civil partner or co-habitor with such an interest is within the registration and declaration requirements.
407. The default setting, under section 31(4) of the Localism Act 2011, is that a Member with a DPI which is engaged (in other words, upon the precise item of business before the Court or a Committee) should neither speak nor vote.
408. However, it is possible for the authority concerned, on written application, to grant a "dispensation", on the terms specified in section 33 of the 2011 Act, but subject to conditions which are explicit in that section, and which amount to the following (two conditions, relating to political groups and executive arrangements, do not apply to the Corporation's circumstances):

---

<sup>93</sup> Minutes of the Court of Common Council, 5<sup>th</sup> March 2020, Minute 24.

<sup>94</sup> S.I., 2012. No. 1464.

- without the dispensation the number of Members affected would make up so great a proportion of the whole that the transaction of business would be impeded;
- that the dispensation would be in the interests of persons living in the authority's area; and
- (a catch-all) "that it is otherwise appropriate to grant a dispensation".

Section 33 says that a dispensation may not be given for a period longer than four years. A dispensation may be in respect of speaking or voting, or both.

409. The issue at the centre of contention was whether the Corporation could give "blanket" or "open-ended" dispensations up to, or preferably for the whole of, the maximum of four years allowed by the Act. In December 2019 the City Solicitor took advice from Leading Counsel (Philip Kolvin QC) as to the lawfulness of open-ended dispensations.

410. In his Opinion Mr Kolvin advised that such dispensations would be unlawful. The two principal grounds of his advice were, first, that they would be too wide, taking in everything relevant to a DPI except (in the terms of the applications at issue) something which affected the Member concerned in a unique way; and second, that the authority could grant a dispensation only "having had regard to all relevant circumstances". It would not be possible to grant a blanket dispensation of up to four years because there was no way of predicting those circumstances.

411. Mr Kolvin identified five other difficulties with the open-ended approach, but also offered a possible compromise policy. I respectfully agree with Mr Kolvin. I do not believe that by any stretch of statutory construction he could have come to any other conclusion.

412. The events which followed were no more edifying than those which preceded Mr Kolvin's advice. It was alleged that the City Solicitor had given partial Instructions to Counsel, and that this had resulted in partial and incorrect advice. This resulted in a tart rejoinder from Mr Kolvin in his Supplementary Advice. On 24<sup>th</sup>

January 2020, after a somewhat confused debate, the Standards Committee voted to accept Mr Kolvin's substantive Opinion.

413. On 18<sup>th</sup> June 2020 the Court of Common Council considered the standards regime on the basis of a Motion moved by Marianne Fredericks "to address the longstanding concerns of Members in relation to the current Standards Regime". Following the approval of an amendment to the Motion, the Court resolved: "That this Honourable Court resolves that the Motion to convene a Working Party chaired by the Chief Commoner to report to the Court as soon as practicable on how proceedings for breaches of the Code of Conduct may be conducted be referred to Lord Lisvane for full and comprehensive incorporation into the Governance Review."<sup>95</sup>

414. I trust that this Part of my Report demonstrates that I have taken the view of the Court expressed through this Resolution fully into account.

### ***Where does the Corporation stand now?***

415. I think that there would be widespread agreement that on conduct matters the events of the last five years have been regrettable. They have also been potentially damaging to the Corporation's reputation. An authority of the stature of the City of London Corporation, seeking to present itself as a champion of the highest standards, simply cannot afford to continue in this way.

### ***The way forward: principles***

416. Above all, the Corporation must set itself to maintain and support the promotion of those highest standards, and its Members need to be fully engaged in this endeavour.

417. Experience so far shows that Members cannot (and, in my view, should not) pass judgement upon their colleagues.<sup>96</sup> I note that, in the consideration of the Motion on 18<sup>th</sup> June, the words "without Members sitting in judgement on each other" were removed, on the basis that "a jury of peers could well offer the best protection to Member complaints being dealt with fairly, notwithstanding the challenges for Members involved".<sup>97</sup>

---

<sup>95</sup> Minutes of the Court of Common Council, 18<sup>th</sup> June 2020, Minute 11.

<sup>96</sup> I cannot resist a quotation from Sellers and Yeatman, *1066 And All That*, speaking of the provisions of *Magna Carta* (no doubt Clause 21): "No baron should be tried, except by a special jury of other barons who would understand". For the avoidance of doubt, I think that it was intended to be satirical.

<sup>97</sup> Minutes of the Court of Common Council, 18<sup>th</sup> June 2020, Minute 11.

418. It will be clear from this Report that I strongly disagree with that view; and I judge that, increasingly, it does not have public credibility.
419. A fair but exacting process must be available to deal with complaints against Members, whether those come from other Members, Officers, or members of the public.
420. Consistent with the principles of natural justice, decision-making processes should be as open and transparent as possible, not least so that constituents can be properly informed when holding Members to account.
421. As the Bourne Report pointed out<sup>98</sup>, there is a role for conciliation, drawing upon the skills both of the Monitoring Officer and the Chief Commoner, and no doubt others. But I echo Charles Bourne's caution against relying too much upon informal resolution. If a complaint is *prima facie* sufficiently serious, then informal resolution may not be appropriate and indeed may be reputationally hazardous.

### ***The way forward: practicalities***

422. It is clear that the Standards Committee approach has failed and that it cannot realistically be revived.
423. Although I have been told that the "outsourcing" of the Standards process is not possible, I disagree. The 2011 Act no longer requires that a relevant authority should have a Standards Committee, merely that "arrangements" should be in place. Those arrangements must include the appointment of *at least* [my italics] one independent person.<sup>99</sup>
424. It is therefore the case that an authority may decide to have arrangements which are almost entirely in the hands of independent persons.
425. **I therefore recommend that the Corporation should set up an Independent Panel composed only of independent persons, and charge that Panel with:**

---

<sup>98</sup> Paragraph 98.

<sup>99</sup> Section 28(7).

- receiving allegations of misconduct referred to it by the Monitoring Officer;
- deciding whether any allegation should be investigated;
- on the basis of the allegation, determining whether there has been a breach of the code of Conduct;
- reporting that determination, together with a full report of the facts, to the Court for endorsement;<sup>100</sup>
- hearing any appeal (the appeal function will of course need to be separated rigorously from the assessment and determination function)
- after determination, and appeal if necessary, recommending an appropriate sanction, giving reasons as necessary.

426. The Localism Act 2011 places on the authority the responsibility deciding whether there has been a breach of the Code of Conduct, and of taking action following a finding of a breach.<sup>101</sup> These are therefore not functions which may be delegated to a Panel of the sort that I have recommended.

427. But it will be essential to avoid the replaying of a case in the way that occurred in March 2020. This would be especially so if the upheld complaint were to be from an Officer (who would not have the opportunity of defence in a debate) against a Member (who would).

428. **I therefore recommend a Standing Order provision which would require the Panel's**

- **determination that a breach had occurred; and**
- **recommended sanction**

---

<sup>100</sup> Under Section 28(11) of the Localism Act 2011.

<sup>101</sup> Section 28(11).

**to be decided without debate (and a further provision which would make it difficult or impossible for such a Standing Order to be dispensed with).**

429. The Panel should review the current Codes of Conduct and guidance, in consultation with the Governance and Nominations Committee, and develop its own Rules of Procedure, for communication to (but not for approval by) the Court of Common Council.
430. The Independent Members<sup>102</sup> of the Panel should be recruited in the same way as the co-opted members of the Standards Committee have been. Judicial or other legal experience should not be a necessary qualification, but independence, authority, judgement, skill in analysing and assessing evidence, and experience at a fairly high level in the public or private sectors, will be required.
431. I think that it may be necessary to have about eight Members of the Panel, to provide Members to constitute Hearing Panels and Appeal Panels, and to provide a degree of collegiate approach and mutual support. Members of the Panel should be paid an appropriate daily rate. It will be for the Corporation to decide whether the present co-opted members of the Standards Committee should, if they are willing, become Independent Members of the Panel, or whether there should be a clean break and a new recruitment from scratch.
432. The terms of appointment will need to be staggered to avoid the need for substantial replacement of the Panel, and loss of embodied experience, at any one time. A base term of appointment might be four years, with reappointment for one further term.
433. I do not offer a draft Standing Order at this stage, but will provide one if the Corporation wishes it.
434. Indemnity and insurance will be required, as agreed by the Court for the current co-opted Members.<sup>103</sup>
435. Until the Independent Panel has been recruited and is ready to begin its work, the present arrangements should remain in place.

---

<sup>102</sup> The Localism Act uses the term “independent person”. In the context of the Panel I have used the term “Independent Member”. Section 28(8)(c) of the Localism Act makes provision for the method of appointment.

<sup>103</sup> See Minutes of the Court of Common Council, 5<sup>th</sup> December 2019.

**Thereafter, the Standards Committee should be abolished, and with it the Standards Appeals Committee.**

436. **I realise that these new arrangements may be unwelcome or uncomfortable for some, but I would observe that the Corporation had the opportunity to get this right, and failed to do so.**

437. If my recommendation for the abolition of the Barbican Residential Committee is accepted, I suspect that the cause of at least some of the difficulties experienced over the last few years will be removed.<sup>104</sup> It may also be that the restrictions imposed by section 618 of the Housing Act 1985<sup>105</sup> will for the same reason become less irksome.

### *Other issues*

#### *The Register of Interests*

438. At the moment, the registrable interests of an individual Member may be seen by going to that Member's page on the website. So far as the Corporation as a whole is concerned, I do not think that provides adequate transparency. **The whole of the Register of Interests should be available on dedicated pages on the website.** This will, for example, allow easy visibility of whether an interest relevant to a particular function of the Corporation is shared by a number of Members.

439. The current practice also appears to be in contravention of section 29 of the Localism Act 2011, which requires that the authority's register "is published on the authority's website". I take this to mean that the register is accessible in its entirety, not that excerpts from it are attached to individual pages.

### *Training on standards and conduct matters*

440. The Bourne Report said that "In my view the City's Code, or its arrangements in general, would be materially improved by requiring Members to attend such training on conduct and standards matters as the City may provide from time to time...It would be

---

<sup>104</sup> See also SO 44.

<sup>105</sup> "...no person shall vote as a member of that [Common] Council, or any such committee [charged with any purpose of the 1985 Act or the Housing Associations Act 1985] on a resolution or question which is proposed or arises in pursuance of this Act or the Housing Associations Act 1985 and relates to land in which he is beneficially interested" (s618(3)).

appropriate to require attendance as a condition for serving on committees”.<sup>106</sup>

441. This recommendation was unfortunately not accepted, and I repeat it now. **Training on standards and conduct matters should be mandatory, and without which no Member should be appointed to a Committee.** Charles Bourne QC observed “standards in public office and attitudes to equality and diversity do not stand still but instead continuously evolve, and those elected to public office should be leaders rather than followers in this process”.<sup>107</sup> **I agree.**

442. Apart from being a sensible precaution to protect the Corporation from criticism, I doubt whether in the absence of such a requirement the Corporation could meet – certainly the spirit, but possibly also in full the formal provision – of section 27(1) of the Localism Act 2011, which requires a relevant authority to promote and maintain high standards of conduct. To reject mandatory training would seem to fall short of the requirement to promote high standards of conduct.

### ***Member/Officer relations***

443. The Corporation has a Protocol on Member/Officer Relations, which forms part of the Code of Corporate Governance. This needs to be read in parallel with the Code of Conduct applying to Members.

444. It is essential that Officers at any level are able to raise matters relating to the conduct of other Officers (for which there are separate provisions) or to the conduct of Members towards them. And it should be borne in mind that this is a relationship which is not under the sole control of the Corporation. A serious case may end up in an Employment Tribunal, with all the reputational risks involved.

445. It should not need saying that a mutually respectful relationship between Members and Officers is essential to the Corporation’s success and reputation, and to the retention of the staff who are an asset to the institution.

446. I note that SO 64 (6) (Disciplinary Action) envisages the involvement of Independent Members of the Standards Committee

---

<sup>106</sup> Bourne Report, paragraph 52.

<sup>107</sup> *ibid.*



on a Statutory Officer Review Panel. This is a statutorily required<sup>108</sup> role which will fall to Independent Members of the Panel recommended above.

### ***Freemasonry***

447. I mention this issue because it has been raised with me a number of times during my Review, both in the context of diversity “there are more Freemasons on the Court than there are women” and in respect of what individuals have seen as “below the radar” collective influences upon Committee appointments, the allocation of Chairs, and other decisions.
448. Freemasonry is a society which has more than 300,000 members, all men, in England and Wales, including some 40,000 in London. Its three key principles are Neighbourly Concern, Charity and Moral Standards (referred to by Masons as Brotherly Love, Relief and Truth). It is a charitable donor on a very large scale all over the country, including support of projects within the Square Mile.
449. I should put beyond any doubt that I make no comment on Freemasonry or its role but, given the views put to me, I think it helpful to comment upon issues of transparency. The recommendations that I make on recorded votes, and on the availability of a full Register of Interests as a single document on the website, will contribute to that transparency.
450. So far as the use of Guildhall facilities (also raised with me) is concerned, I take it that Masonic gatherings are on the same basis, and charged on the same basis, as any other gathering of Members for a purpose not directly connected with Corporation business.

---

<sup>108</sup> See The Local Authorities (Standing Orders)(England)(Amendment) Regulations 2015 (S.I., 2015, No. 881), Schedule, paragraph 4.

## 9

### Devolution and Demerger

451. In Part 3 of this Report I said that “the number and variety of activities and responsibilities [of the City Corporation] must prompt the question of whether everything needs to be owned by the Corporation; and, if it does, whether everything needs to be run by the Corporation”.

452. In this Part I consider the position of:

- The three Independent Schools;
- The Guildhall School of Music and Drama (GSMD)
- The Barbican Centre
- The City of London Police

Different legal considerations apply to each of these four categories/institutions. If in the interests of good governance they are to be distanced from the Corporation in the ways that I suggest, there will still need to be means of ensuring proper authorisation of decisions (for example in entering into contracts). I am confident that this can be done without diluting the greater independence that I recommend, perhaps by suitable delegations; but it will obviously be essential to ensure, upon legal advice, that decisions are properly and lawfully taken on behalf of the Corporation.

453. So far as the Schools are concerned, I have been greatly assisted by the Report by Sir Michael Tomlinson of his inquiry into the Corporation’s funding of education, and I have also had the benefit of a discussion with him of the points that especially concern my Review. I have sought not to cover the same ground as his magisterial Report, but I have pursued the issues of governance which he raises.

## *Common problems*

### *Governance*

454. The first problem, especially affecting the Schools and the GSMD, but common to all, arises from the present system of Committee governance.
455. Because the appointment of Members of the Court of Common Council to the Committees which are the governing bodies of these institutions is achieved by the same opaque process which operates for Committees in general, there is no certainty, or even probability, that the Members appointed will have the necessary skills and experience, either alone, or as contributing to the necessary mix of skills which makes for an effective Board.
456. The result is that the institutions, rightly wishing to recruit Governors and Board Members who will make an effective contribution, rely on co-opted Members with the right qualifications. In turn this means that the size of the Board concerned expands to a size which hampers its efficiency and prevents it being compliant with best practice.
457. A further problem is that, again because of the vicissitudes of the Committee appointment system, Board Members may serve for too short a time (and, in some cases, for much too long a time).
458. I now deal with governance issues as they affect each institution or group of institutions.

### *The Independent Schools*

459. The Independent Schools are: the City of London School; the City of London School for Girls; and the City of London Freeman's School. All are high-performing, well-regarded and successful schools.
460. I note that in November 2018 the Education Board agreed that the Education Unit would conduct a review of governance across the "Family of Corporation Schools".<sup>109</sup> Among the recommendations of that review were:

---

<sup>109</sup> The "Family of Schools" refers to those schools for which the Corporation has either direct responsibility as proprietor, sponsor, or local authority, or as a result of historic links. These include, but are not restricted to: The City of London School, the City of London School for Girls, the City of London Freeman's School, the City

- that there should be no more than 12 members of a Governing Body, selected with reference to their skills;
- that there should be a minimum of two, and a maximum of four Members of the Court of Common Council on each Governing Body;
- that Governors' terms of office should be for four years, renewable once.

461. This is a welcome approach, and it is endorsed in the Tomlinson Report.<sup>110</sup> My broader recommendations on governance are aimed at making this the normal way of doing business.

462. The Tomlinson Report observes that the reality of the Schools' independence is open to question or, at least, comment: "In some key aspects they are unlike almost all other independent schools: they are not charities; they do not pay rent for the site; the subvention system ties them to accessing the Corporation's own services; and they are not able to raise funds externally for capital projects".<sup>111</sup> Sir Michael makes other highly apposite recommendations relating to the governance of the Independent Schools:

- the governing bodies are much too large at 18-20 members (this applies to eight out of 12 of the Family of Schools); they should be of 12-15 members;
- There is no common fixed term of appointment; nor provisions on repeat appointments; and
- There are potential conflicts of interest where governors are also members of bodies with direct grant-making or funding powers.

### ***Can the status of the Independent Schools be changed?***

463. In February 2019, at the request of members of the Policy and Resources and Finance Committees, the Comptroller and City

---

Academy Hackney (co-sponsored with KPMG), the City of London Academy Islington (co-sponsored with City University), the Academies managed by the City of London Academies Trust, and the Sir John Cass (as presently named) Foundation Primary School.

<sup>110</sup> Paragraph 31.

<sup>111</sup> Paragraph 24.

Solicitor gave his advice on the possibility of transferring the three Independent Schools to a company.

464. His advice in respect of each of the Schools was:

- **The City of London School:** established under the City of London Schools Act 1834 (more properly, I think, the Honey Lane Market School Act 1834), which provided that “...the said Mayor and Commonalty and Citizens and their successors shall for ever after maintain...a school for the religious and virtuous education of boys...” The School was moved twice, and in each case it was thought that an Act of Parliament was necessary to authorise the move (1879 and 1969); and both those Acts incorporate the authority (and restriction) of the 1834 Act.
- **The City of London School for Girls** was founded by William Ward under a Scheme approved by the High Court in 1892 which provides that “the said Mayor and Commonalty, and their successors, shall for ever thereafter maintain...a school for the religious and virtuous education of girls”. That Scheme was amended by Order of the Secretary of State for Education in 1968 to enable the relocation of the School to its present site.
- **The City of London Freemen’s School** was founded pursuant to the London (City) School for Orphans of Freemen Act 1850. Again in similar wording, the Act requires the Corporation to “for ever after maintain...a school for the religious and virtuous education of orphans of freemen of the City of London”. The School was moved to Ashstead Park in Surrey under provisions in the City of London (Various Powers) Act 1924, but the obligation to maintain was preserved.

465. This advice was given in response to a specific enquiry as to whether the Schools could be transferred to a company. It must be the case that the responsibility to “maintain” cannot be lifted except by legislation. (This may, of course, serve as a shrewd warning to those contemplating posthumous generosity: keep it flexible.)

466. Transfer to a separate entity (or three entities) is clearly impractical. But governance changes could be much more simply effected.

467. **The Corporation should decide:**

- **to dissolve the committees which act as the Boards of Governors of the three Schools;**
- **to agree governance Schemes for each School which make it clear that the duty to maintain is unaffected, and expressing the Corporation's determination to continue discharging this obligation; and**
- **to come to a declaratory Resolution of the Court of Common Council making this clear.**

468. By these means ownership (with complications of legacy assets and other issues) would not change; and the Corporation would explicitly continue its duty to maintain. At the same time the Schools would gain the measure of independence that is clearly necessary for their more effective operation. The question of the "subventions" – grants for the purchase of services – will fall to be considered.<sup>112</sup> The logic of continuing Corporation ownership combined with greater institutional freedom suggests that the system should continue much as at present, but with freedom for the Schools to purchase services in the market. It seems likely that economies in the devolved purchase of services will save the Corporation significant sums.

469. **For each of the Schools, the Schemes should provide for:**

- **an independent Board of Governors, of 12 to 15 persons, with an appropriate mix of skills;<sup>113</sup>**
- **for Governors to be selected according to current best practice, following advertisement, with the process of selection involving both the current Chair and the Head;**

---

<sup>112</sup> See the Tomlinson Report, paragraph 20.

<sup>113</sup> By reference to the desirable Governing Body skills identified by the Association of Governing Bodies of Independent Schools, namely: commercial and corporate leadership; business management; accountancy; law; property (as an architect or surveyor) education (ideally as a former member of a Senior Leadership Team); human resources; medicine; religion.

- **for the Board to elect the Chair (who need not be a Member of the Court of Common Council);**
- **for any retiring Chair not to remain on the Governing Body;<sup>114</sup>**
- **for Governors' terms of office to be of four years, renewable once, with no re-appointment for the four years then ensuing.**

470. The question arises of whether places on each Board shall be reserved for Common Councillors and, if so, for how many. The Governance and Nominations Committee which I have recommended would be in a good position to put forward well-qualified candidates, and as they would no longer be members of a Corporation Committee they would be free of the requirements and uncertainties of Committee appointments.<sup>115</sup>

471. On balance, though, I think that it is best that there should be no reserved places. Well-qualified Common Councillors will be strong candidates in any circumstances. However, should this not be the case, and reserved places be retained, I suggest that Common Councillors should make up less than one-third of each Board.

472. It has been suggested that there should be some sort of overarching "Independent Schools Board". I disagree. If steps are taken to free up the Schools in terms of their governance and operation, it does not make sense then to impose an additional layer of governance.

### ***The Guildhall School of Music and Drama (GSMD)***

473. The GSMD is one of the world's leading conservatoires and drama schools, ranked as one of the top ten performing arts training institutions in the world, and No.1 in the UK. It is funded by a combination of City funding, the Office for Students (OfS), and tuition fees.

474. Although all the Corporation's schools and academies, including the Independent Schools, are subject to formal inspection,

---

<sup>114</sup> This mirrors the recommendation I made in paragraph 280 as applying to Committees generally.

<sup>115</sup> In respect of the City of London Freeman's School the changes that I recommend may help the problem of governor attendance, which I understand has led to meetings occasionally being inquorate, probably because of its situation outside the City and the best part of an hour away.

the GSMD is in a separate category, which is highly demanding in a different way. Appendix I sets out the *Seven Primary Elements of Higher Education Governance*, which the GSMD, under its Board of Governors and Principal, must fulfil in order to satisfy the Office for Students as to the quality of its governance.

475. The Board has “an approved statement of compliance” with these elements of governance, which appears on the GSMD website, with the undertaking that it will be monitored by the Board annually. However, the version that appears on the website is dated July 2017, and there is no further statement of monitoring or compliance. The statement also predates the establishment of the Office for Students, which took place on 1<sup>st</sup> January 2018.<sup>116</sup>
476. Although the statement of compliance covers each of the *Seven Primary Elements of Higher Education Governance* there are extensive qualifications, which result from the status of the Board as a Corporation Committee, and its having to follow Corporation procedures and practices.
477. This puts the Principal of the GSMD in an unenviable position. As the equivalent of a university Vice-Chancellor, she is Accountable Officer, personally responsible to the OfS for a range of things (whether or not specifically delegated by the Board of Governors) for which she is not in direct and overall control, but for which a disseminated responsibility lies with a range of Corporation Committees and Departments.
478. Although the OfS is in its early days, it has not shown itself to be a soft touch, and indeed may have something to prove as a regulator. It also has sweeping powers, up to and including withdrawal of recognition as a higher education institution.
479. The School’s Instrument and Articles of Governance provide for a Board of Governors of no fewer than 21 people: 11 elected by the Court of Common Council, one representative of the academic staff, one representative of the administrative staff, and up to six co-opted external members; all of these to serve for a term of three years, renewable twice); a student representative; and the Principal.<sup>117</sup> The combination of Common Councillors and co-opted Members reflects

---

<sup>116</sup> Under the Higher Education and Research Act 2017.

<sup>117</sup> Instrument of Governance, paragraph 1.



the problem of inflation of numbers in order to be able to recruit the necessary skills and experience, and results in a Board which is too large to be effective.

480. The Articles of Governance indicate the range of experience desirable in the Court of Common Council members but provide no way of ensuring that this is taken effectively into account. So far as the co-opted members are concerned, there is a Nominations Committee which is to advertise co-opted vacancies and assess applicants. However, there is unfortunately no provision in the Articles relating to the composition of this Nominations Committee, or anything else about it.

481. The Instrument and Articles of Governance might be thought awkwardly over-drafted even for a Committee; and they are framed for debate, not deliberation (they even include detailed provisions for closure of debate).

482. In my view they are wholly inappropriate for a modern Governing Body. Only Common Councillors are to be eligible for the posts of Chair and Deputy Chair;<sup>118</sup> in meeting the requirement for a quorum only Common Councillors are to be counted;<sup>119</sup> the immediate past Chair is to be Deputy Chair for a year upon the election of a new Chair;<sup>120</sup> and meetings are subject to the (voluntarily, not statutorily, imposed) access to information provisions of the Local Government Act 1972.

483. Elsewhere the Articles make very clear the problem I identified in paragraph 477 above. The Board's terms of reference and, it follows, any delegations to the Principal, are "to be subject to the City of London's Standing Orders,<sup>121</sup> Financial Regulations and such other terms and conditions as the City of London may determine, other than where varied otherwise".<sup>122</sup>

### ***The way forward***

484. **I recommend that the Board of Governors of the GSMD should no longer be a Corporation Committee, and that:**

---

<sup>118</sup> Article 4.

<sup>119</sup> Article 5.

<sup>120</sup> Article 13.

<sup>121</sup> I take this to mean the Standing Orders of the Court of Common Council, although strictly it does not say so.

<sup>122</sup> Article 1.

- **it should consist of 12 to 15 members with an appropriate mix of skills;**
- **the members should be selected according to current best practice, following advertisement, with both the current Chair and the Principal being involved in the selection process;**
- **the Board should elect the Chair (who need not be a Member of the Court of Common Council);**
- **any retiring Chair should not remain on the Board;**
- **members' terms of office should be of four years, renewable once, with no re-appointment for the four years then ensuing**
- **of the current members of the Board: the Principal remains a member *ex officio*, and the procedures for appointment of representatives of the academic and administrative staffs, and of the student body, continue as at present.**

485. This change will require the authorisation of a new Instrument and Articles of Governance, for approval by the Court of Common Council and the Assent of the Privy Council, in the same way as the present Instrument and Articles.<sup>123</sup> However, as with the Independent Schools, this change will not involve a change in ownership.

486. As with the Independent Schools, the question arises of whether there should be places reserved on the Board of Governors for Common Councillors. My preference would be not; but if this is not to be the case, then the Governance and Nominations Committee will be able to put forward well-qualified candidates. If there are to be reserved places, then I suggest that these should make up less than one-third of the total membership.

---

<sup>123</sup> I note that there is a minor error in the present Articles: the amendment provision in Article 33 should refer not to section 129 of the Education Reform Act 1988 but to section 129A, which was inserted by the Further and Higher Education Act 1992. The reference is correct in the preamble to the Instrument.

## ***The Barbican Centre***

487. The Barbican Centre is one of the world's great arts centres, and a glory of London's cultural life. It is a powerful player in dance, film, music, theatre and visual arts, and runs a respected creative learning programme. It benefits from the support of the City Corporation, and in turn the Centre benefits the City, in supporting the justification of local authority funding, and (with the GSMD) projecting the national and international profile of the City and its service to the community.

488. The City Committee, which functions as its Board, has a maximum membership of 20: eight Common Councillors; up to seven co-opted members; a representative of the Policy and Resources Committee; a representative of the Finance Committee; the Chair of the GSMD Board *ex officio*; the Chair of the Barbican Centre Trust *ex officio*; and the Chair of the Culture, Heritage and Libraries Committee *ex officio*.

489. The Chair of the Board must be a Member of the Court of Common Council; the quorum is less exclusive than that for the GSMD: it requires a minimum of any five members, but Common Councillors must be in the majority. There is a maximum continuous service limit of three terms of three years.

490. It appears that the Board operates effectively, with a clear separation between matters of strategy and day-to-day management, which is properly delegated to the management team.

491. However, the composition of the Board suffers from the disadvantages that I have already explored in relation to the Schools and the GSMD:

- it is too large: current best practice would suggest a size of between 12 and 15 Members;
- without any criticism of the present Common Councillor members, the formal position is that City members of the Board are elected without formal assessment of what they can bring to the Centre in the way of skills, knowledge and experience (which needs to include practical understanding of arts organisations at a high level). (It may be said, of course, that this is

what the co-opted members are there to do, but that is rather to miss the point as to how the Board is made up.)

- in turn, the Board finds it difficult to demonstrate the sort of diversity and inclusion which is a matter of routine for the Boards of major arts organisations;
- in common with other Committees, there is no bar to a former Chair remaining on the Board;

492. My recommendations for the Barbican Centre Board have much in common with my preceding recommendations:

- **the Board should no longer be a Corporation Committee;**
- **it should comprise between 12 and 15 members with an appropriate mix of skills;**
- **the process of advertisement and selection of Board members, following current best practice, should involve the Chair and the Managing Director of the Centre;**
- **the Chair need not be a Common Councillor;**
- **any retiring Chair should not remain on the Board;**
- **members' terms of office should be of four years, renewable once, with no re-appointment during the four years then ensuing.**

493. As with the other boards, the question of reserved places arises. Again, my preference would be not; but if this is not to be the case, then the Governance and Nominations Committee will be able to identify well-qualified candidates. Such members should make up less than one-third of the Board.

494. As with the other institutions, ownership and other arrangements would remain undisturbed, although, as I recommend below, there will need to be a significantly increased freedom of operation.

### ***The City of London Police***

495. The policing of the City of London, independent from that of London generally, which is in the hands of the Metropolitan Police, can be traced to the City of London Police Act 1839. The City of London Police (CoLP) has 840 warranted Officers and 518 civilian staff<sup>124</sup>, and is headed by the Commissioner as Chief Officer. CoLP combines the local policing of the Square Mile with specialist operations and its role as National Lead Force for Economic Crime. Its operating budget is £150.8M, of which about half comes from a Home Office grant.<sup>125</sup> The Force is very well-regarded, and attracts Officers from other Forces country-wide. Its visibility on the streets of the Square Mile is high, and welcomed by businesses as well as residents.

496. The governance of the City of London Police is anomalous, to say the least.<sup>126</sup> The Police Reform and Social Responsibility Act 2011 replaced the system of police authorities, providing political supervision of each Police Force, with Police and Crime Commissioners flanked by Police and Crime Panels.

497. However, the City of London Corporation continued as a police authority. The origin of this lies in an agreement with the then Home Secretary in 1994 before the passage of the Police and Magistrates' Courts Act 1994, which made police authorities free-standing legal entities independent of local authorities. This agreement included an undertaking by the Court of Common Council that it would mirror national governance arrangements in its oversight of the City of London Police.<sup>127</sup> The spirit of that agreement, and the mirroring of national arrangements, was invoked during the passage of the Bill for the 2011 Act.

498. I return to a comparison with national arrangements in paragraphs 514 to 521 below.

---

<sup>124</sup> City of London Policing Plan 2020-2023.

<sup>125</sup> *ibid.*

<sup>126</sup> I have drawn upon the Remembrancer's helpful Advice of June 2018 here and on the distribution of staff between the Court of Common Council as Police Authority and the City of London Police.

<sup>127</sup> See Report to the Court of Common Council, 3<sup>rd</sup> February 1994.

### ***The Police Authority Board***

499. The preserved duties of the Corporation as a police authority were discharged by its Police Committee until 2019, when the Committee was renamed the Police Authority Board in order better to reflect Members' statutory responsibilities.<sup>128</sup>

500. The Police Authority Board, although renamed, is still a Corporation Committee. It consists of 13 members: 11 Common Councillors elected by the Court; and two external members. It is charged with providing scrutiny and challenge to the work of the CoLP, ensuring that the Force delivers efficient and effective policing within a sustainable Medium-Term Financial Plan, and holding the Commissioner to account.

501. The Board has three Sub-Committees: Performance and Resource Management; Professional Standards and Integrity; and Economic Crime.<sup>129</sup>

502. I emphasise that it is no criticism of the present members of the Board to say that in governance terms the Board is beset by problems similar to those that I have described in relation to the other institutions. It is of a reasonable size; but the opaque method of appointment of members of the Committee that is the Police Authority Board has the same characteristics as elsewhere; there is no sure means of securing appointment of members with relevant skills and experience, nor of achieving the mix of skills appropriate to a high-functioning Board.

503. Until July 2020 there was no defined term of office, nor any provision about maximum length of service. Three members of the current Board had served for more than ten years. There is a scheme known as the Special Interest Area (SIA) Scheme, the aim of which is to improve Board Members' knowledge about key areas of national and local policing and the work of the CoLP. However, in 11 Special Interest Areas only seven Board Members were involved as Lead Members, with three of those acting as Lead Members on each of two Areas. Some members had not been involved at all.

504. At the same time, there does not seem to be sufficient clarity as to the split between the strategic issues summarised in paragraph

---

<sup>128</sup> Report to the Police Committee, 24<sup>th</sup> January 2019.

<sup>129</sup> Together with the Police Pensions Board.

500 above, and the day-to-day matters which are the responsibility of the Commissioner and his staff.

505. The issue of terms of service were addressed in a Resolution of the Court of Common Council of 16<sup>th</sup> July, with the introduction from April 2021 of “a maximum continuous service limit of three terms of four years, with immediate past Chairs qualifying for a further four-year term. Service as Chair/Deputy Chair shall not count towards an individual’s term limit.”

506. It will be clear from earlier recommendations in this Part that I consider this something of an improvement, while falling well short of the ideal.

### ***Governance recommendations***

507. Given the complex antecedents of the present Police Authority Board it may be that the radical approach to governance arrangements which I have adopted in respect of the other institutions will not be wholly appropriate in this case.

508. In particular, a means has to be found for the Corporation legally to continue to discharge its police authority functions. This could in theory be done by the Court (not practical), by a delegated Officer (I presume not acceptable) or by a Committee. It is not therefore possible for the Police Authority Board to cease existence as a Corporation Committee. However, its constitution could be radically simplified with the aim of improving the quality of governance and reducing the procedural baggage with which it is at present burdened.

509. **I therefore recommend that direct appointment by the Court of Common Council should continue, but with two changes: first, that the number of Common Councillors should not be a majority on the Board (so that in practice they should number no more than six); and, second, that they are put forward for election by the Governance and Nominations Committee, taking full account of their skills and experience, and of the overall skills mix required.**

510. **The external members of the Board should be appointed following an open advertisement and selection process.**

511. **Board Members should serve for a term of four years, renewable once, with no re-appointment during the four years then ensuing.** The provision of the Resolution of 16<sup>th</sup> July 2020 that excludes service as a Chair (or Deputy Chair) from counting towards service limits also comports the likelihood that a former Chair could remain on the Board. For reasons I set out elsewhere I think this is undesirable. **A Chair should leave the Board at the end of his or her term of office.**

512. The question arises as to whether the Chair of the Police Authority Board should be involved in the appraisal of the Commissioner. Police and Crime Commissioners hold Chief Constables legally to account for the operational performance of their forces, but there is no overall pattern of PCCs appraising Chief Constables. In the context of the City of London Police, therefore, any arrangements should ensure consistency with policing generally.

### ***Control of CoLP staff***

513. The more than 500 civilian staff of the CoLP are Corporation employees, and so not under the direct control of the Commissioner. Personnel policy for these staff is overseen by the Establishment Committee, but for uniformed Officers it is the Board, and the Commissioner, who are responsible.

514. Until the coming into effect of the Police Reform and Social Responsibility Act 2011, all police staff were employed by police authorities. The 2011 Act made Police and Crime Commissioners corporations sole, thus empowering them to employ staff.

515. Section 2(3) of the 2011 Act speaks of “a police force and the civilian staff of the police force under the direction and control of the chief constable of the force”; and Schedule 15 to the Act provides that as long as a person is employed as a civilian member of staff he or she will be under the control of the Chief Officer of Police for that area.<sup>130</sup>

516. The 2011 Act requires the Secretary of State to issue a policing protocol, which is contained in the Policing Protocol Order 2011.<sup>131</sup> That Protocol drew upon a 2010 Report by Her Majesty’s Inspector of Constabulary,<sup>132</sup> which said “it is critical that police

---

<sup>130</sup> Paragraph 7(5). See also paragraph 10(c).

<sup>131</sup> S.I., 2011, No. 2744.

<sup>132</sup> *Policing in Austerity*, October 2010. See page 37 of the Report.



authorities maintain clear division between their governance responsibility and the Chief Constable's responsibility to lead and manage the organisation".

517. The Protocol says that the Commissioner and Common Council are not legally bound by it but "they are encouraged to abide by the working principles of this protocol".<sup>133</sup>

518. It is difficult to see how a responsibility to lead and manage an organisation can be properly discharged when nearly 40% of the workforce are employed by someone else. Moreover, the Commissioner should have the operational flexibility to recruit police-orientated skills in a specialised market.

519. An obvious solution would be for the civilian staff to be transferred so that they were employed by the Commissioner and directly under his control.<sup>134</sup> However, this is problematical. Unlike other Chief Officers of Police, the Commissioner is not a corporation sole in the terms of the 2011 Act,<sup>135</sup> and this means that he is not empowered to employ staff (and indeed would incur personal liability by doing so).

520. However, I am confident that with ingenuity and appropriate legal advice, a scheme can be devised whereby the Commissioner exercises operational control over the civilian staff, thus mirroring "the Chief Constable's responsibility to lead and manage the organisation" referred to in paragraph 516. **Such a scheme should allow the Commissioner to recruit and deploy staff according to the requirements of the City of London Police, even though staff so recruited would be employees of the Corporation. It will be essential for the Commissioner to be able to recruit on terms which meet the operational requirements of the CoLP, rather than being bound by employment policies of wider application, which raises an issue to which I now turn.**

### *Management processes*

521. All six of the institutions have represented to me their frustration with the slowness and often inappropriateness of finance, audit, legal, communications, procurement, building approval and

---

<sup>133</sup> Paragraph 6.

<sup>134</sup> By a Scheme such as is envisaged by Part 3 of Schedule 15 to the 2011 Act.

<sup>135</sup> Schedule 2, paragraph 2. See also Schedule 1 to the Police Act 1996,

human resources processes which, as it was frequently described, they have to follow on a “one-size-fits-all” basis.

522.       **Audit and risk: *the Schools*** are subject to audits, carried out under City auspices, which cover health and safety, fire, risk management, IT, data, institutional review, key controls, school fees, staff training, cyber security, income generation and vetting of staff. These are all worthy activities, but independent schools have demanding frameworks within which they operate and they are inspected regularly. Under the governance proposals in this Part, the Schools’ Governing Bodies will take responsibility for much of this activity, and will be accountable for it, just like any other independent school. Not only would I expect savings for the Corporation, but also better use of resources within the Schools (any effective audit process is, and should be, demanding).
523.       The story at the ***Guildhall School of Music and Drama*** is similar. The OfS’s requirements for audit demand the use of higher education specialists. These are bought in by the Corporation, and the School is charged £150,000 a year for audit services; significantly, the Royal College of Music and the Royal Academy of Music spend some £50,000 a year on similar services.
524.       **Human Resources: *the Schools***: again, central provision is not appropriate. Appraisal in a teaching environment requires specialist knowledge and understanding, which is not easily transferable from a purely administrative environment. I am told that response times of central services have not improved matters; and that problems have been encountered with the administration of Teachers’ Pensions. Moreover, independent Boards of Governors can more effectively oversee what Heads and Senior Leadership Teams are doing in each of the three Schools; and there may be scope for savings and efficiencies if the Schools operate collectively on some issues.
525.       The ***GSMD*** is required to follow the City’s central HR processes; there is no authority delegated to the senior team for appointments, promotions, or appraisals.
526.       This is also a problem for the ***Barbican Centre***, where recruitment of staff, especially for a new role, is an inordinately lengthy process. Redundancies and restructures require approval

from multiple committees, and the process is unnecessarily lengthy, inefficient and costly.

527. So far as the *City of London Police* are concerned, there is the split that I have described between the uniformed staff, employed by the Commissioner, and the civilian staff, employed by the Corporation. The Commissioner does not have the flexibility to recruit in a specialised and competitive market, nor the freedom to deploy staff fully to meet operational requirements.
528. **Finance:** Higher education finance requires specialist knowledge and experience. The **GSMD** has two people at operational level with these skills. With increasing demands from the OfS for financial reporting, this is a potential problem area.
529. The *City of London Police* has its own Performance and Resource Management Sub-Committee, but its finances and financial processes are also scrutinised by the Finance Committee, its Efficiency and Performance Sub-Committee, its Procurement Sub-Committee, and by the Audit and Risk Management Sub-Committee.
530. **Legal:** in a school environment, this requires specialist knowledge. I note that the review of the Parent Contract across all three Schools was outsourced to Veale Wasborough Vizards, and it would make sense for *the Schools* to be able to access specialist advice as they see fit.
531. This is also a problem identified in respect of the *Barbican Centre*, where there is a need for specialist advice appropriate to the cultural and creative industries.
532. **Procurement: the Schools;** there is a widespread view that many procurement functions (especially those which involve specialist services) could be procured more quickly and efficiently if the Schools did not have to go through central procurement processes. Again, there may be scope for additional savings if, for example, procurement staff were to work for all three Schools jointly.
533. The *Barbican Centre* encounters similar problems, where centralised contracts may not meet the organisation's needs, as well as being more expensive; and this problem is shared by *the City of London Police*.

### ***One size does not fit all***

534. It is easy to see the drivers that lead to the centralisation of services in any organisation: economies of scale; commonality of procedures; the reassurance of defined and (to administrators, at any rate) simple processes.

535. However, in the Corporation the practical result has been the corollary: lack of specialisation; inflexible processes; slowness of decision-making; and frequently uneconomical outcomes.

536. **The freeing up of structures and governance processes which I recommend in this Part will be valuable in itself; but it is essential that it is accompanied by a real effort to free up processes, and to give the institutions a significant degree of autonomy and freedom to make their own arrangements under the supervision of their individual Boards.**

537. If this autonomy is effective, there should be very much less to be prescribed from the centre. Finance will be a key area, but even here, multi-year funding allocations will allow appropriate freedom of management. So far as audit and risk is concerned, the Corporation will need to accept the sort of arrangements routinely made by similar bodies all over the country without imposing its own systems.

### ***The institutions: other issues***

#### ***Finance and friends at Court***

538. The point has been put to me that, if governance of the institutions is devolved in the way that I recommend, their funding may be made less certain. There would not necessarily be “friends at Court” – a members of key committees who would speak up for the institution concerned because of their personal connection. This is a reasonable argument, but I do not find it especially convincing. Robust business and financial plans should lay out the case; and Chairs of the institutions’ Boards should be effective advocates in the process of resource allocation.

539. There is also the powerful point that, as the Corporation will continue in ownership, the success of the institutions will also be the success of the Corporation. There should be shared endeavour.

540. A related point made to me was in favour of a “central” presence on these Boards (members of P&RC or Finance, for example) “to see how the money is being spent”. I do not find this convincing. Effective financial planning and reporting should provide the necessary information. And membership of a Board on this basis means that *prima facie* the Board Member concerned cannot fully discharge her or his obligation to that Board and the institution concerned.

### ***Conflicts of interest***

541. The smaller Boards I have recommended, the smaller numbers of Common Councillors appointed, and the much leaner Committee structure, should reduce the possibility of conflicts of interest. But in order to minimise these still further, **I recommend that no Member should be eligible for appointment to one of these six Boards if he or she is a member of a Committee responsible for making funding decisions in respect of the body concerned.** I note that Sir Michael Tomlinson makes this point forcefully in respect of the Family of Schools.<sup>136</sup>

### ***Public and private proceedings***

542. I referred earlier to the Corporation’s decision voluntarily to adopt the application of provisions of the Local Government Act 1972 requiring public sitting unless certain criteria for confidentiality were met. **In respect of the first five of the institutions dealt with in this Part, I recommend that those provisions should not apply.**<sup>137</sup>

543. In the case of the Police Authority Board the provisions of the Local Government Act 1972 will no doubt apply.

### ***Board assessments***

544. It is normal practice for Boards to arrange for assessments (often annual, although I prefer biennial) of their performance, ideally by outside assessors. **This should be a routine practice for all six of the Boards considered in this Part.**

---

<sup>136</sup> Tomlinson Report, paragraph 34.

<sup>137</sup> See also Tomlinson Report, paragraph 35.

## 10

### Conclusion

545. Many of the recommendations in this Report are radical; I acknowledge that some of them will be challenging. However, the Corporation's aspiration of pursuing excellence in so many fields needs to be matched by its standards of governance; and it may be that some of these recommendations are long overdue.
546. I am well aware of concerns that the Corporation in its present, independent, and indeed unique form may be a target for the legislative yearnings of governments. Those may have their origins in history, dogma, grand plans or simply the temptation to tinker. At a time when the government of the day appears to be interested in constitutional and governance reform – albeit in a somewhat inconsistent and piecemeal way – this is not something to be dismissed.
547. Over the years the sheer complexity of the Corporation's structure, responsibilities and operation has been seen as a defence against any outside urge "to do something about the City". Certainly a balance needs to be struck between, on the one hand, governance reform and greater institutional independence and, on the other, the strategic need to maintain the Corporation as a body which is very hard to dismantle legislatively or in any other way.
548. In that respect I am confident that my recommendations do not weaken the City's position. To take the first five institutions discussed in the previous Part as an example, the maintenance of Corporation ownership and the preservation of the legislative and testamentary underpinning would make them just as difficult to hive off as now, but at the same time their standards of governance and efficiency would be much improved.
549. Nevertheless, the City needs to deploy powerful weapons in its own defence. If it can be portrayed as inefficient, lacking diversity, transparency, and good modern governance, then it is already on the back foot, and potentially vulnerable.
550. I hope that the recommendations in this Report will provide some of the weapons necessary.

*Next steps*

551. It will be for the Corporation to decide how it wishes to address my Report and recommendations. If there is further assistance I can give, I will happily do so.
552. However, I would make one final (and strong) recommendation: that, in the interests of openness and transparency, this Report is published as soon as possible.

**Lisvane**  
**11th September 2020**

## **APPENDIX A**

### **CODE OF CORPORATE GOVERNANCE**

The Corporation's website defines the Code of Corporate Governance as "a series of regulatory documents and protocols which govern how we operate and take decisions. These procedures are followed to ensure our actions are fair, efficient, transparent and accountable."

The website lists the following elements of the Code:

Standing Orders of the Court of Aldermen

Standing Orders of the Court of Common Council

Members' Code of Conduct

Guidance to Members on the Code of Conduct

Code of Conduct on Non-Pecuniary Issues

Members' Financial Loss Scheme

Court of Aldermen: Terms of Reference

Anti-Fraud Activities

Whistleblowing Policy

Policy and Guidance on the Granting of Dispensations

Protocol for Members and Officers Appointed to Outside Bodies

Protocol on Member/Officer Relations

Licensing Protocol

Planning Protocol

Filming Protocol



## Members' Diversity Charter

### Job Descriptions for:

- Non-Aldermanic Sheriff
- Common Councilman
- Chief Commoner
- Chairman of the Policy and Resources Committee
- Chairman of the Finance Committee
- Chairman of Committees
- Deputy Chairman of Committees
- Ward Deputy

### Guidance for election as an Alderman and Guidance on Progression to the Offices of Sheriff and Lord Mayor

### Complaints Procedure [for making a complaint about a Member]

### Financial Regulations

### Pay Policy Statement

### Scheme of Delegations

## APPENDIX B

### EVIDENCE RECEIVED

#### Written submissions

George Abrahams CC

Randall Anderson CC

The Barbican Association and the Barbican Residents' Consultation Committee

Judith Barnes

Matthew Bell CC

Peter Bennett CC

Alan Bird, Head, City of London School, with Jenny Brown, Head, City of London School for Girls, and Roland Martin, Head, City of London Freemen's School

Sir Mark Boleat

Tijs Broeke CC

Chamberlain's Department

City Surveyor's Department

Henry Colthurst CC

Comptroller and City Solicitor

Department of the Built Environment Extended Senior Leadership Team

Department of Markets and Consumer Protection

Peter Dunphy CC

Mary Durcan CC

John Edwards CC

Establishment Committee

Sir Peter Estlin, Alderman and former Lord Mayor

Anne Fairweather CC

David Farnsworth, Chief Grants Officer and Director, City Bridge Trust, on behalf of Bridge House Estates

Helen Fenteman CC

John Garbutt, Alderman

Sir Roger Gifford, Alderman and former Lord Mayor

Prem Goyal, Alderman

Tracey Graham CC

David Graves, Alderman

Caroline Haines CC

Graham Harrower CC

Ann Holmes CC

Michael Hudson CC

Deputy Jamie Ingham Clark

Shravan Joshi CC

Sir Nicholas Kenyon (also on behalf of the Senior Management Group)

of the Barbican Centre)  
 Susan Langley, Alderwoman  
 Greg Lawrence CC  
 Natasha Lloyd-Owen CC  
 Oliver Lodge CC  
 Deputy Edward Lord OBE JP  
 Ian Luder, Alderman and former Lord Mayor  
 Professor Michael Mainelli, Alderman and Sheriff  
 Mansion House  
 Deputy Catherine McGuinness  
 Andrew McMurtrie CC  
 Paul Martinelli CC  
 Wendy Mead OBE CC  
 Brian Mooney CC, Chief Commoner  
 Barbara Newman CBE CC  
 Paul O'Brien CC, Chair, City of London Labour Party  
 Open Spaces Department (Senior Leadership Team)  
 Graham Packham CC  
 Dhruv Patel CC  
 Susan Pearson CC  
 Geoff Pick, Director, London Metropolitan Archives  
 Police Authority Officers  
 Deputy Henry Pollard  
 Elizabeth Rogula CC  
 John Scott JP CC  
 Jeremy Simons CC  
 Jeremy Simons CC, on behalf of the Port Health and Environmental Services  
 Committee  
 Deputy Tom Sleigh  
 Kate Smith, on behalf of the Corporate Strategy and Performance Team,  
 Town  
 Clerk's Office  
 Deputy James Thomson  
 James Tumbridge CC  
 James Tumbridge CC on behalf of the Markets Committee  
 Mark Wheatley CC  
 Lynne Williams, Principal of the Guildhall School of Music and Drama  
 Sir David Wootton, Alderman and former Lord Mayor

### **Interviews**

Nickie Aiken MP  
 Mark Aspinall, Master of the Mercers' Company  
 John Barradell OBE, Town Clerk and Chief Executive (together with  
 Paul Double, Remembrancer)  
 Tijs Broeke CC

Deputy Michael Cassidy CBE  
John Chapman CC  
Michael Cogher, Comptroller and City Solicitor  
Henry Colthurst CC  
Ian Dyson QPM, Commissioner of the City of London Police  
Anne Fairweather CC  
Helen Fenteman CC  
Sir Simon Fraser GCMG (together with Damian Nussbaum, Director of  
Innovation and Growth, and Simon Latham (Head of the Town  
Clerk and Chief Executive's Office )  
David Graves, Alderman  
Christopher Hayward CC, Sheriff  
The Hon. Sir Nicholas Hilliard, Former Recorder of London  
Lord Hogan-Howe QPM  
Anne Holmes CC  
Sir Nicholas Kenyon  
Greg Lawrence CC  
The Lord Levene of Portsoken KBE, former Lord Mayor  
Natasha Lloyd-Owen CC  
Deputy Edward Lord OBE JP  
Deputy Catherine McGuinness  
Professor Michael Mainelli, Alderman and Sheriff  
Jeremy Mayhew CC  
Andrien Meyers CC and Caroline Addy CC  
Sir Andrew Parmley, Alderman and former Lord Mayor  
Susan Pearson CC  
Deputy Henry Pollard  
William Russell, The Rt Hon The Lord Mayor, and Alderman  
Oliver Sells, QC CC  
Sir Michael Snyder CC  
Sir Michael Tomlinson CBE  
Sir David Wootton, Alderman and former Lord Mayor

## APPENDIX C

**WARDS OF THE CITY OF LONDON**, with number of Members of the Court of Common Council in brackets. Each Ward is also represented by one Alderman.

Aldersgate (6)

Aldgate (5)

Bassishaw (2)

Billingsgate (2)

Bishopsgate (6)

Bread Street (2)

Bridge and Bridge Without (2)

Broad Street (3)

Candlewick (2)

Castle Baynard (8)

Cheap (3)

Coleman Street (4)

Cordwainer (3)

Cornhill (3)

Cripplegate (8)

Dowgate (2)

Farringdon Within (8)

Farringdon Without (10)

Langbourn (3)

Lime Street (4)

Portsoken (4)

Queenhithe (2)

Tower (4)

Vintry (2)

Walbrook (2)

## APPENDIX D

### SELECT BIBLIOGRAPHY

*An Independent Review by Leading Counsel of the Arrangements made under the Localism Act 2011 by the City of London Corporation for Addressing Matters Connected with the Conduct of Members and Co-opted Members*, by Charles Bourne QC, December 2016

*Appointment of Members on Committees 2019/2020*

*Appointment of Members on Committees 2020/2021*

Charity Governance Code <http://www.charitygovernancecode.org/en>

*City of London Corporation Financial Regulations* (approved 11<sup>th</sup> December 2018)

*Culture and Creative Learning Strategy 2019-2023*, Corporation of the City of London

*Governance Handbook*, Department for Education, March 2019

*Higher Education Code of Governance*, 2014 revised 2018

*In the Matter of Dispensations under section 33 of the Localism Act 2011: Advice of Leading Counsel* (Philip Kolvin QC), January 2020

*Policy and Resources Committee Review of Governance of the City of London Corporation* (2011)

*Report of the Working Party of the Court of Common Council to Undertake a Post-Implementation Review of the Governance Arrangements* (2012)

*Report of an Inquiry into the Funding of Education by the City of London* conducted by Sir Michael Tomlinson, 2019

*Royal Commission on Local Government in Greater London 1957-60*, Report, Cmd 1164, October 1960

*Royal Commission on Municipal Corporations*, Reports of 1835 and 1837

*Royal Commission on the Amalgamation of the City and the County of London, Report, 1894*

*Royal Commission on the Existing State of the Corporation of the City of London, Report, 1854*

*Scheme of Delegations to Officers (approved 18<sup>th</sup> July 2019)*

*Standing Orders of the Court of Common Council*

*Statement as to the Origin, Constitution and Functions of the Corporation of London (1974)*

*Statement as to the Origin, Constitution and Functions of the Corporation of London (2017)*

*Strategic Plan for Education 2019-2023, Corporation of London, Department of Community and Children's Services*

*The City of London Corporation: Promoting the City: a Report by Sir Simon Fraser, January 2016, and*

*Financial and professional services: strengthening the effectiveness of the City of London Corporation, 2020 [a review of the 2016 report by Sir Simon Fraser, Flint Global]*

*The Corporation of London: its Origin, Constitution, Powers and Duties, Geoffrey Cumberlege, Oxford University Press, 1950*

*The Corporation of London: Its Rights and Privileges,, William Ferneley Allen, 1858*

*For historical context:*

*A Short History of London; the creation of a world capital, Simon Jenkins, Penguin Viking, 2019*

*London, H. V. Morton, Methuen, 1940*

*London in the Eighteenth Century, Jerry White, Bodley Head, 2012*

*London's Triumph, Stephen Alford, Penguin Random House, 2017*



*London: the biography*, Peter Ackroyd, Chatto and Windus, 2000

# APPENDIX E

## COMMITTEES OF THE CORPORATION

### *Committees:*

- Audit and Risk Management Committee
- Barbican Centre Board
- Barbican Residential Committee
- Board of Governors of the City of London Freeman's School
- Board of Governors of the City of London School
- Board of Governors of the City of London School for Girls
- Board of Governors of the Guildhall School of Music and Drama
- Capital Buildings Committee
- City of London Police Authority Board
- Community & Children's Services Committee
- Culture, Heritage and Libraries Committee
- Education Board
- Epping Forest & Commons Committee
- Establishment Committee
- Finance Committee
- Freedom Applications Committee
- Gresham (City Side) Committee
- Hampstead Heath, Highgate Wood and Queen's Park Committee
- Health and Wellbeing Board
- Investment Committee
- Licensing Committee
- Livery Committee
- Local Government Pensions Board
- Markets Committee
- Open Spaces and City Gardens
- Planning and Transportation Committee
- Policy and Resources Committee
- Port Health & Environmental Services Committee
- Standards Appeals Committee
- Standards Committee
- The City Bridge Trust Committee
- West Ham Park Committee

- 

***Sub-committees:***

- Academic & Education Committee of the Board of Governors of the City of London School
- Academic and Personnel Sub-Committee of the Board of Governors of the City of London Freeman's School
- Assessment Sub-Committee of Standards Committee
- Audit and Risk Management Committee of the Board of Governors of the Guildhall School of Music & Drama
- Benefices Sub-Committee (Culture, Heritage & Libraries) Committee
- Bursary Committee of the Board of Governors of the City of London Freeman's School
- Bursary Committee of the Board of Governors of the City of London School
- Bursary Committee of the Board of Governors of the City of London School for Girls
- City of London School for Girls - 125th Anniversary Working Party
- Corporate Assets Sub-Committee of Finance Committee
- Courts Sub-Committee of Policy and Resources Committee
- Digital Services Sub-Committee of Finance)Committee
- Dispensations Sub-Committee of Standards Committee
- Economic Crime Committee of the Police Authority Board
- Education Charity Sub-Committee of Education Board
- Efficiency and Performance Sub-Committee of Finance Committee
- Finance & Estates Committee of the Board of Governors of the City of London School
- Finance and Estates Sub-Committee of the Board of Governors of the City of London School for Girls
- Finance and Resources Committee of the Board of Governors of the Guildhall School of Music & Drama
- Finance Committee of the Barbican Centre Board
- Finance and Grants Oversight Sub-Committee
- Finance, General Purposes and Estates Sub-Committee of the Board of Governors of the City of London Freeman's School
- Financial Investment Board
- General Purposes Committee of Aldermen

- Governance and Effectiveness Committee of the Board of Governors of the Guildhall School of Music & Drama
- Governance Committee of the Board of Governors of the City of London School
- Hearing Sub-Committee of Standards)Committee
- Homelessness and Rough Sleeping Sub-Committee of Community and Children's Services Committee
- Housing Management and Almshouses Sub-Committee of Community and Children's Services Committee
- Integrated Commissioning Sub-Committee
- Licensing (Hearing) Sub-Committee
- Lighting Up Deputation Sub-Committee of Policy & Resources Committee
- Local Plans Sub-Committee of Planning and Transportation Committee
- Magistracy and Livery Sub-Committee (General Purposes Committee of Aldermen)
- Members Privileges Sub-Committee of Policy and Resources Committee
- Nominations Committee of the Barbican Centre Board
- Nominations Sub-Committee of the Audit and Risk Management Committee
- Nominations Sub-Committee of Education Board
- Outside Bodies Sub-Committee of Policy and Resources Committee
- Performance and Resource Management Committee of the Police Authority Board
- Police Pensions Board
- Privileges Committee of the Court of Aldermen
- Procurement Sub-Committee of Finance Committee
- Professional Standards and Integrity Committee of the Police Authority Board
- Projects Sub-Committee of Policy and Resources Committee
- Property Investment Board
- Public Relations and Economic Development Sub-Committee of Policy & Resources Committee
- Reference Sub-Committee of Barbican Residential Committee
- Reference Sub-Committee (of Committee of Aldermanic Almoners, Common Council Governors and Donation Governors of Christ's Hospital)
- Reference Sub-Committee of Licensing Committee

- Reference Sub-Committee of Markets Committee
- Reference Sub-Committee of Port Health and Environmental Services) Committee
- Reference Sub-Committee of the Barbican Centre Board
- Reference Sub-Committee of the Board of Governors of the Guildhall School of Music and Drama
- Remuneration and Nominations Committee of the Board of Governors of the Guildhall School of Music and Drama
- Resource Allocation Sub-Committee of Policy and Resources Committee
- Risk Committee of the Barbican Centre Board
- Safeguarding Sub-Committee of Community & Children's Services Committee
- Senior Remuneration Sub-Committee of Establishment Committee
- Social Investment Board
- Staff Appeal Committee
- Street Trading Appeal Hearing
- Streets and Walkways Sub-Committee of Planning and Transportation Committee

***Overview and Scrutiny Committees:***

- Crime and Disorder Scrutiny Committee
- Health and Social Care Scrutiny Committee
- Inner North East London Joint Health Overview and Scrutiny Committee

***Consultative Committees:***

- Ashted Common Consultative Group
- Barbican Estate Residents Consultation Committee
- Billingsgate Market Consultative Advisory Committee
- Burnham Beeches and Stoke Common Consultation Group
- Epping Forest Consultative Committee
- Epping Forest Joint Consultative Committee
- Hampstead Heath Consultative Committee
- Highgate Wood Consultative Group
- Independent Custody Visitors Panel
- Joint Consultative Committee
- Keats House Consultative Committee
- Queen's Park Consultative Group
- West Wickham, Spring Park and Coulsdon Commons Consultation Group

***Working parties:***

- Ceremonial Protocols Working Party of the Policy and Resources Committee
- Cultural Strategy Working Group
- Culture Mile Working Party
- Dispensations (Standards) Working Party
- Education Strategy Working Party
- Epping Forest Management Plan Steering Group
- Gresham Working Party
- Hospitality Working Party of the Policy & Resources Committee
- Relocation of the Markets Working Party
- Secure City Programme Oversight Group
- Tackling Racism Taskforce
- Wanstead Park Working Party

***Others:***

- Annual General Meeting of the Guildhall Club
- Board of Trustees of the City of London Academies Trust
- Committee of Aldermanic Almoners, Common Council Governors and Donation Governors of Christ's Hospital
- Finance, Audit and Risk Committee of the City of London Academies Trust
- House Committee of Guildhall Club
- Local Outbreak Board (Integrated Commissioning Sub-Committee)
- Mayoralty Visits Advisory Committee
- Member Development Steering Group
- Safer City Partnership Strategy Group
- Standards and Accountability Committee of the City of London Academies Trust
- The Committee of Aldermen to Administer the Sir William Coxen Trust Fund
- Trustees of the Emanuel Hospital Charitable Trust

## APPENDIX F

### COMMITTEES OF THE CORPORATION, annotated to reflect recommendations in this Report

#### *Committees:*

- Audit and Risk Management Committee **retain; add responsibilities of Efficiency and Performance Sub-Committee of Finance Committee**
- Barbican Centre Board **remove from Committee system**
- Barbican Residential Committee **abolish**
- Board of Governors of the City of London Freemen's School **remove from Committee system**
- Board of Governors of the City of London School **remove from Committee system**
- Board of Governors of the City of London School for Girls **remove from Committee system**
- Board of Governors of the Guildhall School of Music and Drama **remove from Committee system**
- **Bridge House Estates Committee (new Committee)**
- Capital Buildings Committee **abolish; transfer functions to Property Committee (new Committee)**
- City of London Police Authority Board **retain but reshape**
- Community & Children's Services Committee **retain**
- **Competitiveness Committee (new Committee)**
- Culture, Heritage and Libraries Committee **retain; rename "Culture Committee"**
- Education Board **retain**
- Epping Forest & Commons Committee **abolish; transfer functions to Open Spaces Committee**
- Establishment Committee **abolish; transfer any necessary functions to the Governance and Nominations Committee (new Committee)**
- Finance Committee **retain**
- Freedom Applications Committee **retain**
- Gresham (City Side) Committee **retain**
- **Governance and Nominations Committee (new Committee)**
- Hampstead Heath, Highgate Wood and Queen's Park Committee **abolish; transfer functions to Open Spaces Committee**
- Health and Wellbeing Board **retain**

- Investment Committee **abolish**; transfer functions to Finance Committee
- Licensing Committee **retain**
- Livery Committee **a Committee of Common Hall rather than of the Corporation; no recommendation**
- Local Government Pensions Board **retain**
- Markets Committee **abolish**
- Open Spaces and City Gardens **retain**; rename “Open Spaces Committee”; **take on functions of open spaces Committees and Consultative Committees**
- Planning and Transportation Committee **retain**
- Policy and Resources Committee **retain**
- Port Health & Environmental Services Committee **retain**
- **Property Committee (new Committee)**
- Standards Appeals Committee **abolish**
- Standards Committee **abolish**
- The City Bridge Trust Committee **abolish**; transfer necessary functions to **Bridge House Estates Committee (new Committee)**
- West Ham Park Committee **abolish**; transfer functions to Open Spaces Committee

**Existing Committees: 32; abolish and/or transfer functions, or remove from Committee system: 16; new Committees: 3. Net change: minus 13**

#### ***Sub-Committees:***

- Academic & Education Committee of the Board of Governors of the City of London School **remove from Committee system**
- Academic and Personnel Sub-Committee of the Board of Governors of the City of London Freeman’s School **remove from Committee system**
- Assessment Sub-Committee of Standards Committee **abolish**
- Audit and Risk Management Committee of the Board of Governors of the Guildhall School of Music & Drama **remove from Committee system**
- Benefices Sub-Committee of Culture, Heritage & Libraries Committee **retain (rename Committee)**
- Bursary Committee of the Board of Governors of the City of London Freeman's School **remove from Committee system**
- Bursary Committee of the Board of Governors of the City of London School **remove from Committee system**
- Bursary Committee of the Board of Governors of the City of London School for Girls **remove from Committee system**



- City of London School for Girls - 125th Anniversary Working Party **remove from Committee system**
- Corporate Assets Sub-Committee of Finance Committee **abolish; transfer residual functions to the Property Committee (new Committee)**
- Courts Sub-Committee of Policy and Resources Committee **abolish**
- Digital Services Sub-Committee of Finance Committee **move to be a Sub-Committee of the Governance and Nominations Committee (new Committee)**
- Dispensations Sub-Committee of Standards Committee **abolish**
- Economic Crime Committee of the Police Authority Board **retain**
- Education Charity Sub-Committee of Education Board **retain**
- Efficiency and Performance Sub (Finance) Committee **abolish: absorb into Audit and Risk Management Committee**
- Finance & Estates Committee of the Board of Governors of the City of London School **remove from Committee system**
- Finance and Estates Sub-Committee of the Board of Governors of the City of London School for Girls **remove from Committee system**
- Finance and Resources Committee of the Board of Governors of the Guildhall School of Music & Drama **remove from Committee system**
- Finance Committee of the Barbican Centre Board **remove from Committee system**
- Finance and Grants Oversight Sub Committee **abolish; transfer necessary functions to Bridge House Estates Committee (new Committee)**
- Finance, General Purposes and Estates Sub-Committee of the Board of Governors of the City of London Freemen's School **remove from Committee system**
- Financial Investment Board **abolish; transfer functions to Finance Committee**
- General Purposes Committee of Aldermen **retain**
- Governance and Effectiveness Committee of the Board of Governors of the Guildhall School of Music & Drama **remove from Committee system**
- Governance Committee of the Board of Governors of the City of London School **remove from Committee system**
- Hearing Sub-Committee of Standards Committee **abolish**
- Homelessness and Rough Sleeping Sub-Committee of Community and Children's Services Committee **retain**
- Housing Management and Almshouses Sub-Committee of Community and Children's Services Committee **retain**

- Integrated Commissioning Sub-Committee of Community and Children's Services Committee **retain**
- Licensing (Hearing) Sub-Committee **retain**
- Lighting Up Deputation Sub-Committee of Policy & Resources Committee **no longer appears on website; abolish**
- Local Plans Sub-Committee of Planning and Transportation Committee **retain**
- Magistracy and Livery Sub-Committee (General Purposes Committee of Aldermen) **retain**
- Members' Privileges Sub-Committee of Policy and Resources Committee **abolish: transfer functions to Governance and Nominations Committee**
- Nominations Committee of the Barbican Centre Board **remove from Committee system**
- Nominations Sub-Committee of the Audit and Risk Management Committee **abolish**
- Nominations Sub-Committee of Education Board **retain**
- Outside Bodies Sub-Committee of Policy and Resources Committee **abolish**
- Performance and Resource Management Committee of the Police Authority Board **retain**
- Police Pensions Board **retain**
- Privileges Committee of the Court of Aldermen **retain**
- Procurement Sub-Committee of Finance Committee **retain but revise scrutiny thresholds upwards**
- Professional Standards and Integrity Committee of the Police Authority Board **retain**
- Projects Sub-Committee of Policy and Resources Committee **abolish; transfer functions to Property Committee (new Committee)**
- Property Investment Board **abolish; transfer functions to Property Committee (new Committee)**
- Public Relations and Economic Development Sub-Committee of Policy & Resources Committee **abolish**
- Reference Sub-Committee of Barbican Residential Committee **abolish**
- Reference Sub-Committee of Committee of Aldermanic Almoners, Common Council Governors and Donation Governors of Christ's Hospital **abolish**
- Reference Sub-Committee of Licensing Committee **abolish**
- Reference Sub-Committee of Markets Committee **abolish**

- Reference Sub-Committee of Port Health and Environmental Services Committee **abolish**
- Reference Sub-Committee of the Barbican Centre Board **abolish**
- Reference Sub-Committee of the Board of Governors of the Guildhall School of Music and Drama **abolish**
- Remuneration and Nominations Committee of the Board of Governors of the Guildhall School of Music and Drama **remove from Committee system**
- Resource Allocation Sub-Committee of Policy and Resources Committee **retain**
- Risk Committee of the Barbican Centre Board **remove from Committee system**
- Safeguarding Sub-Committee of Community & Children's Services Committee **retain**
- Senior Remuneration Sub-Committee of Establishment Committee **abolish; transfer functions to Governance and Nominations Committee (new Committee)**
- Social Investment Board **abolish; transfer necessary functions to Bridhe House Estates Committee (new Committee)**
- Staff Appeal Committee of Establishment Committee **no longer appears on website, but functions can be performed by Governance and Nominations Committee (new Committee)**
- Street Trading Appeal Hearing **no longer appears on website. Abolish**
- Streets and Walkways Sub-Committee of Planning and Transportation Committee **retain**

**Existing Sub-Committees: 63; abolish and/or transfer functions, or remove from Committee system: 44**

***Overview and Scrutiny Committees:***

- Crime and Disorder Scrutiny Committee **retain**
- Health and Social Care Scrutiny Committee **retain**
- Inner North East London Joint Health Overview and Scrutiny Committee **retain**

***Consultative Committees:***

- Ashted Common Consultative Group **abolish; transfer functions to Open Spaces Committee**
- Barbican Estate Residents Consultation Committee **not a Corporation Committee; but any consultation functions will need to be reconsidered following abolition of Barbican Residential Committee**

- Billingsgate Market Consultative Advisory Committee **abolish**
- Burnham Beeches and Stoke Common Consultation Group **abolish; transfer functions to Open Spaces Committee**
- Epping Forest Consultative Committee **abolish; transfer functions to Open Spaces Committee**
- Epping Forest Joint Consultative Committee **abolish; transfer functions to Open Spaces Committee**
- Hampstead Heath Consultative Committee **abolish; transfer functions to Open Spaces Committee**
- Highgate Wood Consultative Group **abolish; transfer functions to Open Spaces Committee**
- Independent Custody Visitors Panel **no longer on website**
- Joint Consultative Committee **abolish; transfer functions to Governance and Nominations Committee (new Committee)**
- Keats House Consultative Committee **abolish; transfer functions to Culture Committee**
- Queen's Park Consultative Group **abolish; transfer functions to Open Spaces Committee**
- West Wickham, Spring Park and Coulsdon Commons Consultation Group **abolish; transfer functions to Open Spaces Committee**

**Existing Overview, Scrutiny and Consultative Committees: 16; abolish and/or transfer functions: 13**

***Working parties:*** Where I make no recommendation, this is on the basis that the subject Committee concerned (where there is one) will need to assess the continuing need for the body concerned

- Ceremonial Protocols Working Party of the Policy and Resources Committee **no recommendation**
- Cultural Strategy Working Group **no recommendation**
- Culture Mile Working Party **no recommendation**
- Dispensations (Standards) Working Party **abolish**
- Education Strategy Working Party **no recommendation**
- Epping Forest Management Plan Steering Group **abolish; necessary functions can be taken on by the Open Spaces Committee**
- Gresham Working Party **no recommendation**
- Hospitality Working Party of the Policy & Resources Committee **abolish: transfer functions to the Competitiveness Committee**
- Relocation of the Markets Working Party **no recommendation**

- Secure City Programme Oversight Group **no recommendation**
- Tackling Racism Taskforce **retain**
- Wanstead Park Working Party **abolish**

***Others:***

- Annual General Meeting of the Guildhall Club **no recommendation**
- Board of Trustees of the City of London Academies Trust **no recommendation**
- Committee of Aldermanic Almoners, Common Council Governors and Donation Governors of Christ's Hospital **no recommendation**
- Finance, Audit and Risk Committee of the City of London Academies Trust **no recommendation**
- House Committee of Guildhall Club **no recommendation**
- Local Outbreak Board (Integrated Commissioning Sub-Committee) **no recommendation**
- Mayoralty Visits Advisory Committee **transfer necessary functions to Competitiveness Committee**
- Member Development Steering Group **transfer necessary functions to the Governance and Nominations Committee (new Committee)**
- Safer City Partnership Strategy Group **no recommendation**
- Standards and Accountability Committee of the City of London Academies Trust **no recommendation**
- The Committee of Aldermen to Administer the Sir William Coxen Trust Fund **no recommendation**
- Trustees of the Emanuel Hospital Charitable Trust **no recommendation**

**Existing Working Parties and “Others”: 24; abolish and/or transfer functions: 6.**

# **APPENDIX G**

## **CITY OF LONDON COMMITTEES: STATUTORY REQUIREMENTS**

[As at February 2020]

### **Board of Governors of the Guildhall School of Music and Drama**

- Operates under a separate Instrument and Articles of Government in accordance with section 29 of the Further and Higher Education Act 1992.

### **Police Authority Board**

Statutory functions:

- Responsible for any powers and duties vested in the Court of Common Council as police authority for the City of London by virtue of the City of London Police Act 1839, and other relevant legislation (save the appointment of the Commissioner of Police, which by virtue of Section 3 of the City of London Police Act 1839 remains the responsibility of the Common Council).

### **Planning and Transportation Committee**

Statutory functions:

- Responsible for all functions of the City as local planning authority.
- All functions of the Common Council as local highway, traffic, walkway and parking authority (other than in respect of powers expressly delegated to another committee) and the improvement of other open land under S.4 of the City of London (Various Powers) Act 1952.
- All functions under part II of the City of London (Various Powers) Act 1967 including declaration, alteration and discontinuance of City Walkway.
- All functions relating to the construction, maintenance and repair of sewers in the City, including public sewers (on behalf of Thames Water under an agency arrangement).
- All functions of Common Council as Lead Local Flood Authority in relation to the Flood and Water Management Act 2010.

- All functions relating to street naming and numbering under the London Building Acts (Amendment) Act 1939.
- All functions relating to building control under the Building Act 1984, Building Regulations 2000-10 and London Building Acts 1930-82.
- The setting of building control charges under the Building (Local Authority Charges) Regulations 2010.
- Response to and resolution of dangerous structures under the London Building Acts (Amendment) Act 1939.
- All functions relating to the Local Land Charges Act 1975.

### **Port Health and Environmental Services Committee**

Statutory functions:

- Responsible for all the City of London Corporation's environmental health, port health, animal health, consumer protection, licensing (with the exception of those which are in the province of another Committee), public conveniences, street cleansing, refuse collection and disposal, the street trading enforcement functions in the London Local Authorities Act 1990 including any decision as to whether the s.101 arrangements should be discontinued, and cemetery and crematorium functions.
- The implementation of those sections of any Acts of Parliament and/or European legislation which direct that the local authority take action in respect of those duties listed at above.

### **Culture, Heritage and Libraries Committee**

Statutory functions:

- the management of the City's libraries and archives, including its functions as a library authority in accordance with the Public Libraries and Museums Act 1964 and all other powers and provisions relating thereto by providing an effective and efficient library service.

### **Community and Children's Services Committee**

Membership:

- Two to five elected parent governor representatives required by law (can only vote in relation to education functions).

Statutory functions:

- Responsibilities include the preparation of all statutory plans relating to its functions, including adults' services, children's services, social services and public health.

### **Gresham Committee (City Side)**

- Responsibilities include letting and demising the lands and tenements given to this City by Sir Thomas Gresham by his last Will and Testament or otherwise to do and perform all and everything and things according to the true intent and meaning of the said last Will and Testament of the said Sir Thomas Gresham and the several Acts of Parliament for that purpose made with limitations and provisions as in the same are directed.
- The estate, so far as it relates to the land that was left to the City of London Corporation and the Mercers' Company, is administered by the Joint Grand Gresham Committee, which consists of the City Side and an equal number of Mercers. The legal obligations upon the City of London Corporation under the terms of Sir Thomas Gresham's Will, as varied by statute and discharged by the City Side, are limited:
  - to the appointment and payment of four of the Gresham Lecturers.
  - to the maintenance of eight almshouses in Ferndale Road, Brixton, to the appointment of eight "almsfolkes" and the payment of a small annual sum to each of them.

### **Open Spaces and City Gardens**

Statutory functions:

- Responsible for the functions of the Common Council under the Local Government (Miscellaneous Provisions) Act 1976 to make safe by felling, or otherwise, dangerous trees in the City generally on receipt of notices served on the City of London Corporation in the circumstances set out in Section 23 of the Act and where trees are in danger of damaging property.

### **West Ham Park Committee**

Membership:

In accordance with the terms of conveyance of the Park by John Gurney, Esq. to the City of London Corporation dated 20th July 1874 and the Charity Commission Scheme from 1991 -

- four representatives nominated by the Heirs-at-Law of the late John Gurney



- one representative nominated by the Parish of West Ham
- two representatives nominated by the London Borough of Newham

**Functions:**

- to be responsible for the ownership and management of West Ham Park (registered charity no. 206948) in accordance with the terms of conveyance dated 20th July 1874 and in accordance with the Licence in Mortmain dated 22nd May 1874 and the management of a Nursery.

**Epping Forest & Commons Committee**

**Membership:**

- Four Verderers elected or appointed pursuant to the Epping Forest Act 1878, for the consideration of business relating to Epping Forest only.

**Statutory functions:**

- Responsibilities include exercising of the powers and duties of the Court of Common Council as Conservators of Epping Forest and the various additional lands which have been acquired to protect the Forest in accordance, where appropriate, with the Epping Forest Acts 1878 and 1880 (as amended) and all other relevant legislation.
- The ownership and management of the following open spaces in accordance with the provisions of the Corporation of London Open Spaces Act 1878 -
  - Coulsdon and other Commons, the other Commons being Kenley Common, Farthing Downs and Riddlesdown
  - West Wickham Common and Spring Park
  - Ashted Common
  - Burnham Beeches and Stoke Common

**Hampstead Heath, Highgate Wood & Queen's Park Committee**

**Membership:**

- Appointed pursuant to the London Government Reorganisation (Hampstead Heath) Order 1989

**Hampstead Heath**

- devising and implementing the City of London Corporation's policies and programmes of work in relation to Hampstead Heath in accordance with the London Government Re-organisation (Hampstead Heath) Order 1989.

- exercising all the City Corporation's powers and duties relating to Hampstead Heath, including those set out in Regulation 5 of the London Government Re-organisation (Hampstead Heath) Order 1989, or in any Act or Statutory Instrument consolidating, amending or replacing the same.

#### **Highgate Wood & Queen's Park**

- devising and implementing the City Corporation's policies and programmes of work in relation to Highgate Wood and Queen's Park in accordance with the provisions of the Highgate Wood and Kilburn Open Spaces Act 1886.

#### **The City Bridge Trust Committee**

- Functions of the committee are in accordance with the Cy Pres Scheme for the administration of the charity known as the Bridge House Estates, made by the Charity Commissioners on 9 February 1995 (as amended) and brought into effect by the Charities (The Bridge House Estates) Order 1995.

#### **Standards Committee**

##### **Membership:**

- Five independent persons are appointed pursuant to the Localism Act 2011.

#### **Licensing Committee**

##### **Statutory functions:**

- Responsible for the City Corporation's licensing functions under the Licensing Act 2003, Gambling Act 2005, and Local Government (Miscellaneous Provisions) Act 1982, as amended by the Policing and Crime Act 2009.

#### **Health and Wellbeing Board**

- Statutory board

##### **Membership:**

- The core membership of HWBs is prescribed by statute and includes: a councillor or elected mayor/executive leader of the local authority; the director of adult social services; the director of children's services; the director of public health; a local Healthwatch representative; and a representative from each CCG in the area.

Function:

- Carrying out all duties conferred by the Health and Social Care Act 2012 on a Health and Wellbeing Board for the City of London area.

**Health & Social Care Scrutiny Committee**

- Fulfilling the City's health and social care scrutiny role in keeping with the aims expounded in the Health and Social Care Act 2001 and Part 14 of the Local Government and Public Health Act 2007 (Patient and Public Involvement in Care and Social Care).

**Local Government Pension Board**

- Responsible for functions in line with the requirements of the Public Services Pensions Act 2013 for the management of the City of London Corporation's Pension Scheme.

## APPENDIX H

### CHARITIES OVERSEEN BY THE CORPORATION and within the scope of Phase One of the Corporate Charities Review

*Except where noted, the Trustee is the Corporation of the City of London, acting through the Court of Common Council. In each case, the Committee(s) or Sub-Committee(s) which have delegated responsibilities in respect of the charity are shown.*

*The numbers are the reference numbers of the charity in each case.*

**Emanuel Hospital (206952):** The Corporation, acting through the Court of Aldermen. Committee engaged: the General Purposes Committee of the Court of Aldermen

**Keats House (1053381):** Culture, Heritage and Libraries Committee/Keats House Consultative Committee

**Ashted Common (1051510):** Epping Forest and Commons Committee/Ashted Common Consultative Committee

**Burnham Beeches and Stoke Common (233987):** Epping Forest and Commons Committee (**check**)/Burnham Beeches and Stoke Common Consultation Group

**Epping Forest (232990):** Epping Forest and Commons Committee/Epping Forest Consultative Committee/Epping Forest Joint consultative Committee

**Hampstead Heath (803392):** Hampstead Heath, Highgate Wood and Queen's Park Committee/ Hampstead Heath Consultative Committee

**Hampstead Heath Trust Fund (803392-1):** Finance Committee/Financial Investment Board/Hampstead Heath, Highgate Wood and Queen's Park Committee

**Highgate Wood and Queen's Park (232986):** Hampstead Heath, Highgate Wood and Queen's Park Committee/Highgate Wood Consultative Group

**West Ham Park (206948):** West Ham Park Committee

**West Wickham Common and Spring Park Wood (232988):** Epping Forest and Commons Committee/West Wickham, Spring Park and Coulsdon Commons Consultation Group

**King George's Field (1085967):** Open Spaces and City Gardens Committee

**The City of London Charities Pool (1021138):** Finance Committee/Financial Investment Board

**The City of London Almshouses (1005857):** Community and Children's Services Committee/Housing Management and Almshouses Sub-Committee

**Sir Thomas Gresham Charities (221982):** Gresham Committee (City Side)

**Lord Harold Samuel Bequest (unregistered):** Culture, Heritage and Libraries Committee

**Guildhall Library Centenary Fund (206950):** Culture, Heritage and Libraries Committee

**City of London Combined Education Charity (313836):** Education Board/Education Charity Sub-Committee

**City Educational Trust Fund (290840):** Education Board/Education Charity Sub-Committee

**City of London Combined Relief of Poverty Charity (1073660):** Community and Children's Services Committee

**City of London Freeman's School Bursary Fund (284769):** [City of London Corporation, acting by the Court of Common Council's Board of Governors of the City of London Freeman's School]: Bursary Committee of the Board of Governors of the City of London Freeman's School

**Charities administered in connection with the City of London Freeman's School (312120) (23 small charities):** Board of Governors of the City of London Freeman's School/Bursary Committee of the Board of Governors of the City of London Freeman's School

**City of London School For Girls Bursary Fund (276251):** [City of London Corporation, acting by the Court of Common Council's Board of Governors of the City of London School for Girls]: Bursary Committee of the Board of Governors of the City of London School for Girls

**City of London School for Girls Scholarships and Prizes Fund (276251-5):** [City of London Corporation, acting by the Court of Common Council's Board of Governors of the City of London School for Girls: Bursary Committee of the Board of Governors of the City of London School for Girls]

**City of London School Bursary Fund (276654):** [City of London Corporation, acting by the Court of Common Council's Board of Governors of the City of London School]: Bursary Committee of the Board of Governors of the City of London School

**City of London School Scholarships and Prizes Fund (276654-1):** [City of London Corporation, acting by the Court of Common Council's Board of Governors of the City of London School]: Bursary Committee of the Board of Governors of the City of London School

*Note: the two previous charities are in the process of being merged*

For the charities below, the Trustees are as shown; the Corporation of the City of London is not the Trustee.

**Sir William Coxen Trust Fund (206936):** Five Aldermen appointed by the General Purposes Committee of the Court of Aldermen

**Samuel Wilson's Loan Trust (206964):** Five Aldermen appointed by the Court of Aldermen, and the Chamberlain *ex officio*

**Vickers Dunfee Memorial Benevolent Fund (238878):** The Lord Mayor, the Chief Commoner, the Chairman of the Police Authority Board, the Assistant Commissioner of the City of London Police, the Commandant of the City of London Special Constabulary, the Divisional Officer of the city of London Special Constabulary, and the City of London Police Welfare Officer

**City of London Police Widows and Orphans Fund (208175):** The Commissioner of the City of London Police, the Assistant Commissioner of the City of London Police, and the Commander (Operations) of the City of London Police

**City of London School Charitable Trust (1020824):** Chair of the Board of Governors of the City of London School, Head of the City of London School, Bursar of the City of London School

Nine further charities are expected to be closed, or merged with one of the charities above.

# **APPENDIX I**

## **THE SEVEN PRIMARY ELEMENTS OF HIGHER EDUCATION GOVERNANCE**

(From the Higher Education Code of Governance, 2018 edition)

1. The governing body is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit.
2. The governing body protects institutional reputation by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed.
3. The governing body ensures institutional sustainability by working with the Executive to set the institutional mission and strategy. In addition, it needs to be assured that appropriate steps are being taken to deliver them and that there are effective systems of control and risk management.
4. The governing body receives assurance that academic governance is effective by working with the Senate/Academic Board or equivalent as specified in its governing instruments.
5. The governing body works with the Executive to be assured that effective control and due diligence take place in relation to institutionally significant external activities.
6. The governing body must promote equality and diversity throughout the institution, including in relation to its own operation.
7. The governing body must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.