

<b>Committee(s):</b> Policy and Resources	Dated: 18 <sup>th</sup> March 2024
<b>Subject: City of London Corporation's electoral system</b>	Public
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	4, 6
<b>Does this proposal require extra revenue and/or capital spending?</b>	Y – if reviews commissioned
<b>If so, how much?</b>	Significant – if reviews commissioned
<b>What is the source of Funding?</b>	Not identified
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	No
<b>Report of:</b> Comptroller and City Solicitor and Remembrancer	For Decision
<b>Report author:</b> Katie Foster, City Remembrancer's Office and Saira McKechnie, Comptroller and City Solicitor's Department	

### Summary

1. Following the November meeting of Policy & Resources Committee, it was agreed that there should be a scoping paper on the City's electoral franchise. The commitment was for the paper to set out the legislative backdrop, potential options for change, trade-offs and resource implications of each course of action.
2. At January Court of Common Council, it was agreed that consideration also be given to a review of Ward Boundaries following the 2025 Common Council elections.
3. This paper provides a high-level overview of the issues, together with an indication of the pros and cons of change, an indication of the resource implications and risks of pursuing change, as well as recommendations.
4. It also gives an overview of:-
  - electoral process and integrity changes that have taken place over the last 20 years or so in England which do not currently apply to City elections;
  - recent changes to Voter and Candidacy rights affecting Ward elections following the UK's exit from the EU (contained in the Elections Act 2022).

### Recommendation(s)

Members are invited to:

- Agree that officers further scope options for reform of the City's franchise insofar as current resources allow, and agree that after a General Election, when there is greater

clarity on Government priorities, and engagement has taken place with Ministers and Officials, determine whether to proceed to undertake a formal end-to-end review of the franchise, subject to identifying resource to take project forward.

- Agree to commission a ward boundary review led by the Recorder, the Common Serjeant and the Town Clerk following the next all-out elections in March 2025, subject to appropriate resource being identified. The Committee should also consider, at that point, the most appropriate mechanism for gathering Member views as part of that process.
- Note that there are a number of areas of change relating to electoral integrity and processes that could be considered in the context of any wider reform of the franchise being undertaken.
- Note the voter and candidacy changes in the Elections Act 2022 as a result of EU Exit that are being brought into force on 7 May 2024, and agree that an outline of these changes should be sent out to all elected members.

## **Main Report**

### **The electoral franchise for Ward elections: who can vote in the City's elections**

5. The City of London is divided into 25 wards, and 125 Members are elected to represent them. The City's "franchise" essentially means the persons who have the right to vote in the City's elections. Each ward elects one Alderman and two or more Common Councillors, totalling 100 Common Councillors and 25 Aldermen. Full City-wide elections for Common Councillors are held every four years with by-elections and Aldermanic elections in between: the next City-wide elections will take place in March 2025.
6. The City has a unique franchise in that it has two categories of voters: resident and business. No local authority area elsewhere in the UK has such a system with a "business" franchise. This is because the Corporation's electoral area has a unique demographic structure. According to Census 2021, the City has a small residential population of approximately 8,600 and, as of 2022, some 615,000 workers across the wide range of businesses which form part of a world business centre. The pandemic drastically affected the daily commuter numbers and the post pandemic picture is still an evolving one, with increasing numbers of persons switching back to more office-based working. It is unlikely that we have yet reached a more "steady state" in terms of worker numbers travelling into the City each day.
7. Business voters include sole traders, partnerships (consisting of equity partners who can be registered as voters) and workers from qualifying bodies (any incorporated or unincorporated body apart from an equity partnership occupying premises in the City of London). The number of voters that a qualifying body can appoint will depend on the size of the workforce. Organisations with a workforce of nine or less can appoint one voter; those with up to 50 can appoint one voter for every five; those with more than 50 can appoint 10 voters and one additional voter for every 50 members of the workforce over the initial 50.
8. The City's franchise for Ward elections is primarily set out in the City of London (Various Powers) Act 1957 (as amended). The franchise was last reviewed in the late 1990s and

that review resulted in the changes made to the 1957 Act by the City of London (Ward Elections) Act 2002 – this originated as a private Bill brought forward by the Corporation. The Act altered the qualification provisions as regards the business vote to better reflect the nature of commercial occupation of premises in the City of London. It did this by extending the categories of persons entitled to vote at such elections to include those workers nominated by qualifying bodies (rather than it being limited to sole traders or equity partnerships which meant that a large proportion of the businesses in the City had not been able to nominate voters).

9. The current 2023-2024 list of those registered to vote in Ward elections stands at 20,223 comprising 13,748 employee voters and 6,475 residential voters. This compares to 19,595 in 2022-2023, 13,748 in 2021-2022, and 19,200 in 2020-2021. A more detailed breakdown can be found in **the Annex** to this paper.

#### Options for change

10. Prior to the decision to deposit the Bill that became the City of London (Ward Elections) Act 2002, consideration was given to an alternative approach of giving voting rights to all individuals working in the City (a "worker vote"), which, on the assumption the City retains a "business" vote of some kind, is the main alternative to the current system.
11. Given the large number of workers in the City, such a change would likely lead to a vastly increased electorate. Various options as to how this could be approached were considered in the late 1990s including as to whether the Corporation would itself canvass City businesses or whether voting rights would be given to City workers who applied to be placed on the register each year, with certain minimum registration requirements (e.g. a minimum number of hours worked in the City over the preceding 12 months).
12. Ultimately, the worker vote system was not pursued. Firstly, it was very apparent that it was not acceptable politically at a Parliamentary level because it ran against the principle of the franchise in England which is based on residence and the effect of the worker vote would, if introduced, completely swamp the residential voice. Consultation with political stakeholders at the time indicated that the worker vote option would be strongly opposed and would be unlikely to garner any sort of support. It would have made a fundamental change in terms of the "voice" of the elector, particularly given the number of workers (approx. 250,000 at the time) versus the far smaller residential vote.
13. Other factors that were taken into consideration included:-
  - The likelihood of a highly volatile electorate: the City had a relatively young and highly mobile workforce. The rate of staff turnover in the Financial Services and Professional Services sectors was relatively high. There would likely be substantial changes in the electorate year on year.
  - The volatility of the workforce, the potential numbers involved and the task of verification for any credible registration system based on a worker vote would make the system significantly more challenging and expensive to operate.

- Difficulties as regards the self-employed and those with no fixed workplace: it would be necessary to overcome problems arising from the nature of the work which people undertake. For example, certain types of role, e.g. couriers, road sweepers, gardeners, do not have a fixed place of work. Furthermore, some workers are based outside the City but spend all their working day within the City. It would be difficult to assign such persons to a specific ward. The growth of technology, and the effect it (even then) had on the patterns of a person's work, was identified as producing difficulties, increasing the number of persons with no clear place of work.
14. It is clear that many of the reasons set out above still have relevance today and would need careful consideration in any future reforms of the City's franchise. Any review would not only need to re-visit these reasons, but also consider the changed ways of working post-pandemic, the increased use of shared office space and the even more fluid nature in 2024 of who constitutes a "worker" in the City and how or whether that can be defined in a way that is robust for the purposes of defining an electorate. Any options for change would certainly, once developed and evidenced, require extensive consultation with key stakeholders, including City businesses and workers, as well as residents.
  15. Any review of the City's franchise should also consider the relevance and impact of the development of the BIDs that now exist within the City and how they interact with the City's franchise. This is a factor that has changed significantly since the last review of the franchise took place.
  16. **Resource implications:** any end-to-end project to consider reform of the electoral franchise for Ward lists will require substantial and dedicated resource for:-
    - Work to determine the options for change and to craft a series of options and recommendations, including running any necessary consultations and engagement exercises; and
    - Work to prepare and support a Private Bill if a preferred option requires legislative change. Any changes to the franchise would require primary legislation.
  17. In terms of the City of London (Ward Elections) Act 2002, a Working Party comprising of Members and Officers was first established in 1994/95 to examine options for change. Preparations including a largescale consultation exercise with stakeholders and consideration of electoral areas overseas that also operate a form of business franchise. The Private Bill to amend the franchise was deposited in Parliament in November 1998, and the Bill received Royal Assent in November 2002. The Bill was very controversial at the time. The then Town Clerk devoted a large amount of his personal time to the project along with his private office (2 FTE), the whole of the Remembrancer's Parliamentary Team (4 FTE), the Public Relations Office as was (4 FTE) and support from the Electoral Services Team and the Comptroller and City Solicitor's Office.
  18. The resource to determine and make recommendations on options for change would have to be identified whether internally or externally, or a combination of both. There is no resource available at the present time to undertake this substantial piece of work. As regards a private Bill, the sufficiency of resource within Remembrancer's would depend

on timings, and what other private Bills the Remembrancer has in Parliament at the time of any electoral reform legislation, in addition to the Remembrancer's work in relation to the general legislative programme.

19. **Risks:** the timing for any end-to-end review that presents options for franchise reform must be very carefully considered in the context of the upcoming General Election and the Government's priorities post-election. The previous reforms attracted strong criticism from some political quarters with MPs using the Bill's proceedings in the House as an opportunity to question the role of the City Corporation. The risk of future reforms attracting similar criticism should not be ignored. It would not be advisable to commence such a project around the time of a general election, or before a Government has set its priorities for the Parliament, without any engagement with Ministers and Officials.
20. **Recommendation:** Agree that officers further scope options for reform of the City's franchise insofar as current resources allow, and agree that after a General Election, when there is greater clarity on Government priorities, and engagement has taken place with Ministers and Officials, determine whether to proceed to undertake a formal end-to-end review of the franchise, subject to identifying resource to take project forward.

#### **Ward Boundaries and the number of elected members per Ward**

21. A recent question at Court of Common Council concerned whether a review should be undertaken on Ward Boundaries and the number of Members per ward. The question was raised on the basis that hybrid working, EU Exit and Covid have markedly changed the registration patterns across the City such that it is time to "redraw the electoral map for Ward councillor entitlement". The last review was undertaken in 2010. Aligned to this question, it was also suggested that consideration might be given to an appropriate mechanism for Member involvement in any such process.
22. The ward boundaries of the majority of the Wards can be adjusted by Act of Common Council, as can the number of members for a Ward. The boundaries were last adjusted as part of the reform package that sat alongside the Bill that went on to become City of London (Ward Elections) Act 2002. That process does not therefore require Parliamentary legislation and it is therefore open for Common Council itself to decide whether it does that.
23. As a consequence of undertakings given to Parliament during the passage of the Bill in the late 1990s, a review of the Ward boundaries was completed in 2003, before the new Act came into force, and a further review was undertaken in 2010. The review was conducted by a review panel comprising the Recorder, the Common Serjeant and the Town Clerk. The 2010 review took effect in 2013 and any future reviews were to take place following any material changes in the wards.
24. It is of course a complex decision as to when to undertake a further review and what changes should constitute material changes that trigger such a review. For example, one off events (such as a reasonably sized business deciding to register) may make a significant difference in registered voter numbers in a particular ward, but the system should not be changed in an overly-reactive way that does not allow future-

proofing/longer term trends to be considered. Any review would want to ensure that it captured themes and trends over a period of time in determining whether there has been a material change to ensure that a review is not triggered by a snapshot in time event etc. As set out earlier in this paper, it is also true to say that the post pandemic picture is still an emerging one and consideration needs to be given as to whether there is as yet a sufficiently settled state following the seismic shift that generated.

25. **Resource implications:** any project to consider reforming elected Member numbers for each ward/ward boundaries will require substantial and dedicated resource for:-
- Work to support the review panel in developing the options for change and to craft a series of options and recommendations, and manage the necessary consultations (the bulk of resource is required for this aspect)
  - Work to prepare a new Act of Common Council, if a decision is made to change current Ward boundaries or the number of elected Members per Ward.
26. In terms of the review that took place in 2010, it was a process that spanned over approximately 12 months, involving meetings of the review panel, external formal consultation processes, finalising a report with recommendations and then final approval by Common Council. It involved substantial dedicated officer resource in developing options and supporting the work of the review panel, as well as external financial costs related to consultation (approximately £54,000 in 2009 as regards estimated external spend).
27. The resource to support this work would have to be identified, whether that be internal or external resource or a combination of both: there is no resource available at the present time to undertake this work without additional funding.
28. **Risks:** the timing for any reform must, as set out above, be very carefully considered in the context of the upcoming General Election and the Government's priorities post-election. Although changes to ward boundaries and the number of elected members would not require parliamentary approval, it would be sensible to put them in the context of any wider reform to the franchise, as they were in the late 1990s, should Members decide to pursue wider reforms. Furthermore, there are all out elections in March 2025 and statistics from those elections would inform any review. There is insufficient time to undertake a review and implement any recommendations before the March 2025 elections.
29. **Recommendation:** Agree to commission a ward boundary review led by the Recorder, the Common Serjeant and the Town Clerk following the next all-out elections in March 2025, subject to appropriate resource being identified. The Committee should also consider, at that point, the most appropriate mechanism for gathering Member views as part of that process.

### **Electoral process and integrity changes which do not currently apply to City elections**

30. The City's local election processes have not, in the main, kept pace with the changes that have been made to local elections processes elsewhere in England. The City's

processes are unique and are set out in legislation that uniquely applies to the City. This means that there has been a deepening divide between the way in which the City conducts its elections compared to other areas of England. Whilst it is not necessary or always desirable to keep pace with every change that has been made by Government to local elections elsewhere, there are nevertheless a number of changes that the Elections Team consider would have significant advantages. The most significant of these are:-

- Rolling Registration – in the rest of the UK the Electoral Register is updated monthly between January and September: it is not updated during October and November whilst the annual canvass takes place. A full register is published annually on 1 December. Additional registration points are added if there is an election, with the last day to receive applications to register to vote 12 days prior to polling. This makes for a more accurate register. It also captures voters' interest at the time of an election and so contributes to encouraging people to register to vote. The City of London's current system means that the final date to register is over a year before the Ward List ceases to be current (based on a 30 November registration date and a Ward List in effect from February to February). It is believed a move to a rolling register would be advantageous to registration and to increasing the size of the City's franchise.
- Clerical Errors – a clerical error is a mistake that is found on the electoral register and which can be rectified at any time to show in the next registration update. If the error has been identified since the last registration update it can be amended up to 9pm on polling day for it to take effect for an election. This means that if someone is inadvertently missed off a register, removed in error or has any other error in their registration, it does not affect their ability to vote. It is believed this would be advantageous to registration and participation – it does not currently apply to the City of London's elections.
- Access to Ward List – The City Corporation currently has a system whereby anyone can apply for a copy of the Ward List. The usual rules that apply elsewhere in the UK is that elected members are entitled to a copy of the Register for their elected area only, political parties are entitled to a copy of the electoral register anywhere upon written request and other candidates may have a copy of the relevant registers when they officially become a candidate (no earlier than the Notice of Election is published). This would tighten the data controls around access and supply of the register.
- Voter ID – the Elections Act 2022 has brought in Voter ID as a requirement to vote in some elections in England, Scotland and Wales. The Elections Act 2022, known in policy as the Electoral Integrity Programme (EIP), is seeking to tighten electoral practices, particularly around voter fraud. The provisions for Voter ID do not apply to City of London ward elections. City of London residents who will vote in the upcoming GLA and UK Parliamentary General Election (UKPGE) must provide photographic ID to vote in these elections. This would be a move that Members might like to consider, given how long the current Ward Lists are in force for.
- Postal Vote Handling – Another part of the EIP is around absent votes and postal vote handling. Voters may still hand their postal vote in at council offices and the polling station. However, they must now complete a short form when returning a postal vote by hand. Electors are now limited to returning 5 postal vote packs in

addition to their own. Any postal vote that exceeds this figure will be rejected before opening, anyone who does not complete the form will have their postal vote rejected and any postal vote that is left at a council office and is not delivered by Royal Mail will be rejected. The postal vote handling rules will also prevent any political party or campaigner from handling any completed postal vote other than their own or a member of their family. It will become an offence for political parties and campaigners to handle completed postal vote packs. These rules do not apply to City of London Elections. They will apply to City residents voting in the GLA or UKPGE. The rules do not apply to completed postal vote applications. Members may like to consider this for consistency.

31. An area in respect of which the City of London is consistent with electoral practices elsewhere in England is in the submission and acceptance of candidates' nomination papers. Whilst there has been an informal discussion on how these procedures might be tightened, the legislation and case law at the national level is clear, and the arrangements for ward elections currently mirror this position. Accepting a nomination paper is the responsibility of the Town Clerk, acting as Ward Clerk. Nomination papers that are completed in the prescribed way must be accepted. The Ward Clerk does not have a policing or investigative role as part of the nominations process. The Ward Clerk's decision is about whether a nomination paper is in good order and not about whether the particulars given in a nomination paper are correct. A challenge to the validity of a person's nomination (as distinct from the validity of a nomination paper) is a matter for an election petition. It is worth noting that in the Elections Act 2022 there are no changes to how candidates submit their nominations in Local, Parliamentary or PCC elections in England. They are still submitted without identification of the candidate or evidence of qualification, and they are accepted at face value. This all reflects the long-standing legal and policy position in the UK which places very limited powers on those who administer elections to intervene to resolve allegations of misconduct or correct significant errors, placing such responsibilities in the hands of the Police and the Election Court.
32. These changes would also require a Private Bill to be deposited so it makes sense from a resource perspective for them to be considered alongside any potential changes to the business franchise so that potentially one legislative vehicle can be considered in respect of any changes that need to be effected by primary legislation (a private Bill). They could also be considered as a potentially less controversial Private Bill if separated out from more principled franchise reform set out above.
33. **Recommendation:** Note that there are a number of areas of change relating to electoral integrity and processes that could be considered in the context of any wider reform of the franchise being undertaken.

#### **Recent changes to Voter and Candidacy rights following the UK's exit from the EU**

34. On 7 May 2024, certain provisions of the Elections Act 2022 are being brought into force which make changes that limit the rights of EU citizens to vote or stand in City Ward elections for the Common Council (by making amendments to the City of London (Various Powers) Act 1957). The provisions do not affect those currently serving as Common Council members.



35. The ability to stand as a candidate for, or vote in, such elections will be limited to those who are EU citizens with retained rights or qualifying EU citizens within the meaning of the Representation of the People Act 1983.
36. A bespoke saving provision has been made for CoL ward elections so that the new rules do not apply to **voters** in relation to an election for which the date of poll is on or before 15th February 2025 – this is to cater for the timetable for compiling the Ward lists each year which sits awkwardly with a 7th May 2024 commencement date. This saving provision only applies to the voter changes – the candidacy changes come into force on 7<sup>th</sup> May 2024 for all purposes.
37. The Corporation’s elections team do not consider that the changes will have any, or any significant, impact on registered voter numbers for Ward elections as the vast majority will be qualifying EU citizens or EU citizens with retained rights.
38. The franchise for voters and the qualification for candidates at Aldermanic elections does not include EU citizens unless they qualify via a different route. Therefore this provision applies only to Common Council elections and not to Aldermanic elections.
39. **Recommendation:** Note the voter and candidacy changes in the Elections Act 2022 as a result of EU Exit that are being brought into force on 7 May 2024, and agree that an outline of these changes should be sent out to all elected members.

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## Annex

### Ward List Figures and Member Totals 2023-2024:

WARD	NUMBER OF COMMON COUNCILMEN	RESIDENTS	BUSINESS	TOTAL
Aldersgate	6	1,445	140	1,585
Aldgate	5	33	881	914
Bassishaw	2	38	544	582
Billingsgate	2	74	318	392
Bishopsgate	6	101	812	913
Bread Street	2	7	346	353
Bridge With/Without	2	40	395	435
Broad Street	3	17	429	446
Candlewick	2	13	282	295
Castle Baynard	8	281	1384	1665
Cheap	3	13	517	530
Coleman Street	4	0	577	577
Cordwainer	3	15	289	304
Cornhill	3	7	334	341
Cripplegate	8	2,156	26	2,182
Dowgate	2	23	484	507
Farringdon Within	8	528	712	1240
Farringdon Without	10	461	3139	3600
Langbourn	3	4	359	363
Lime Street	4	2	424	426
Portsoken	4	647	92	739
Queenhithe	2	228	14	242

Tower	4	334	531	865
Vintry	2	4	253	257
Walbrook	2	4	466	470
	<b>100</b>	<b>6,475</b>	<b>13,748</b>	<b>20,223</b>