

Evidence to the Review of Governance from the Barbican Association and the Barbican Residents' Consultation Committee

The Barbican Association represents the interests of the over 4000 residents of the Barbican Estate on all matters affecting residents; the Barbican Residents' Consultation Committee represents their interests in relation to the City of London Corporation as their landlord. We welcome this opportunity to submit evidence on the governance review.

(We refer here to the City of London Corporation as "the Corporation", to avoid confusion with the City as a place or as a term for the business capital of the UK.)

Background: who we are and why we have an interest in the governance of the Corporation

1. Many of us have lived here for a long time. The Corporation is both our local authority and our landlord (98% of the flats are owned by long leaseholders, with the Corporation in its role as local authority as freeholder).
2. In general most residents like living in the Barbican and think that the Corporation is by and large a good local authority and a decent landlord. But we do have criticisms. In particular, we think that the way the Corporation operates is not always transparent or fair. We report what we believe to be the perceptions of many Barbican residents.
3. We emphasise that we believe that the problems we identify have grown up over time in a complex system with multiple functions. Residents appreciate that most officials and councillors aim to be fair, transparent, and accountable, so our criticisms are of the system as a whole and not of individual officers or members.
4. We focus particularly on the governance of the Barbican Estate, but we also make some comments as electors in the City of London. We have concentrated, as requested, on the problems we see with efficiency, fairness, transparency, and accountability, and we have suggestions for improvement. We would be happy to discuss further the points we make.

Part 1: Views as electors and council tax payers in the City

5. You will have been briefed on the Corporation's three main areas of activity and funding:
 - Its Local Authority, Police Authority, and Port Authority functions (funded by City Fund)
 - Its commercial activities (eg private schools and the Guildhall School of Music and Drama, the markets, open spaces across London, and economic development) (funded by City Cash)
 - Its Bridge House Estates, which maintains bridges and funds charitable activities, largely from long standing investment income.
6. The diverse pattern of activities and funding is one of the factors that makes the City of London a well-resourced place to live. We would, however, like the governance review to tackle the ambiguity of current practices. When residents speak to a councillor or Corporation officer we want to know whether they are representing the local authority or the Corporation's commercial interests. Residents in general find the borders between these two areas of activity confusing and opaque. For example, the large investments, property holdings, and interests in both the City Fund and City Cash mean that the

Corporation in practice acts as a property developer in both its role as a local authority and in its role as the owner of commercial enterprises, and residents often find that this role conflicts with the interests of residents – and that there is a *lack of transparency* about whose behalf officers are working on. We accept that such conflicts occur in other local authorities but they are particularly acute in the City of London because of the size of City Cash, the City's role as a financial centre, and the Corporation's unique electoral system.

7. Clearly the Corporation has to tackle a huge variety of issues, large and small. Councillors, whether elected by business or by residents, should ideally come to office ready to play a part in seeing that all issues are tackled with balance and *fairness*. At present residents do not think that is always the case. It is not clear to us either that the Corporation has the mechanisms to manage those hybrid functions in a way that ensures fairness, efficiency, transparency, and accountability.
8. For example, the planning committee has 35 members, a substantial proportion of whom come from the business community and also sit on committees concerned with approving capital projects, allocating resources, investing in the Corporation's property, or running the Corporation's commercial enterprises, such as the private schools. Those members will, of course, properly recuse themselves at a planning committee meeting if they have a disclosable pecuniary interest, but when they do not have a direct disclosable pecuniary interest their role on these other committees that govern the Corporation's commercial and property interests nevertheless creates a favourable climate for promoting Corporation (and wider City) development, and we feel that residents' interests are not given *fair* weight. A wider point – which again makes residents feel ignored – is that many of these business ward councillors work for businesses that are engaged in or support property development and so have a general predisposition to supporting property development (ie if the sector thrives, their firm and they personally thrive).
9. The Corporation operates through multiple committees and subcommittees and has 125 elected members. Committees have many members and large agendas; the committees act independently and it is not always clear to residents which is the final decision making body. Therefore they don't know which councillors to lobby and find it hard to find hard to track decisions.
10. There is no forum for sensibly resolving clashes of interest between different interests in the Corporation. The Court of Common Council is meant to play that role but it is too big and too formal and doesn't have time.
11. Transparency of decision making is difficult because of the many committees and the high proportion of business conducted in private session.
12. Most councillors stand as independents, which is oddly disenfranchising: it hard for residents to understand where their councillors are "coming from" on an issue, and it is not possible to work it out from how they voted on specific issues because there is no record of how individual councillors vote at Corporation meetings.
13. The high proportion of masons among councillors is seen by residents as a problem, particularly as there is a Guildhall [ie Corporation] Lodge: masons exclude women (*lack of fairness*) and create a perception of undue influence (*lack of accountability*).
14. Some business councillors are openly dismissive of residents, which undermines residents' belief in the *fairness* of Corporation decisions.

15. Many members from business wards have paid time off from their employers to do their Corporation work - indeed many City businesses who support an elected member see this as a good investment (because it brings information, networking, and influence), whereas residential members tend not to get paid time off.
16. Committee meetings often take place during the working day, which disadvantages residential councillors because they may not get paid time off; it puts some potential councillors off from standing; and it makes it harder for residents to attend meetings as members of the public.
17. The Corporation is unique in having business voters at all. The in-built majority of business members enables them to control key committees, and leaves residents feeling under-represented. In some cases business ward councillors can be very supportive of residents. But when it comes to a conflict between business/commerce and residents, the former almost always trumps the latter, and that leaves us feeling completely outgunned in some things that affect us – usually quality of life issues such as loss of daylight and light pollution from tall buildings and a loss of quiet times because of bars, restaurants, clubs, and construction sites.
18. Only within the past 10 years has the Corporation devised a protocol for consulting residents about things that affect them, but there is still a culture in the Corporation of not disclosing decisions it is about to take, and it often fails to consult fully (except in line with statutory requirements). A recent example was the decision to close Beech Street to all but zero emission vehicles. Doing something about air pollution and restricting traffic in Beech Street has been discussed in the City since at least 2013, and various ideas have been floated since then. Residents expected detailed consultation on the actual proposals, and although the Barbican Association was alerted five days before the decision making meeting, most residents learnt about the actual plan (which was not the one recommended to the committee) through a press release announcing its imminent implementation.
19. **We would like to see:**
 - Greater transparency of decision making
 - Better consultation, earlier on when proposals are still fluid
 - Stronger mechanisms for managing cross functional issues (see section on the Barbican)

Representation and the Standards Committee

20. Until January 2020 the Corporation's Standards Committee had a very restrictive policy on granting dispensations, which had the effect of specifically disenfranchising residential voters. In the City councillors in residential wards tend to live in the ward and therefore usually have a disclosable pecuniary interest through owning property or a lease in their ward. The Localism Act precludes them from speaking or voting if their disclosable pecuniary interest is engaged in a matter they consider in committee. But the legislation allows them to be granted a dispensation to speak or vote if it is in the interests of people living in the area (ie their fellow residents and constituents). The Standards Committee devised a policy that resulted in most applications for such dispensations from residential councillors being refused.
21. Under pressure from residents (including a petition signed by over 10% of all City residents) and from other councillors (including many from the business wards) the Standards Committee has gradually (and reluctantly) reversed most of these restrictions, although there remains a procedural issue about the current policy's operability.

22. The unfair policy and the unfair conduct of proceedings for breach of the code of conduct (where the committee did not follow its own procedural rules) have resulted in a real perception among residents that the standards committee in particular is *unfair and not transparent*.
23. Most local authorities leave the granting of dispensations to a monitoring officer and enable dispensations on some issues to be granted at the beginning of a term of office for the whole term of office. We favour a similar mechanism: we think it would take the heat out of this argument, increase the perceived *fairness* of the decisions, and solve practical problems to do with how quickly dispensations can be granted (*efficiency*).
24. For historical reasons councillors who have a tenancy from the Corporation are forbidden by legislation from voting on housing matters (sec 618 of the Housing Act 1985). This is unique to the City of London Corporation, and residents feel it is outdated and *unfair*.
25. **We would like to see:**
 - Dispensations devolved to a monitoring officer and a more balanced view of conflicts of interest taken by the Standards Committee
 - The Corporation to seek repeal of section 618 of the Housing Act 1985.

Part 2: The Barbican Estate and its governance

26. The Barbican Estate was conceived as an integrated whole as a largely residential area with communal and public buildings. It forms a substantial neighbourhood (15 hectares) on predominantly public land, and the City of London is the overall freeholder (except Wallside* and St Giles church), though the different parts are funded in different ways:
 - the City of London School for Girls (a private school owned by the Corporation, funded from City Cash)
 - the Guildhall School of Music and Drama (a higher education institution, issuing UK degrees and charging fees in line with UK higher education institutions but funded by City Cash)
 - the Barbican Arts Centre (funded by City Fund)
 - the Barbican public library (funded by City Fund)
 - the residential estate (flats predominantly owned by long leaseholders and thus largely funded through the service charge)
 - some commercial space and car parks (City Fund)
 - the Highwalks are public walkways (City Fund)
 - the gardens (those accessible only to residents are paid for mainly by long leaseholders with a local authority contribution; while the public gardens are paid for by City Fund); all are maintained by the Corporation's Open Spaces Department.
27. The built estate is listed grade II, the landscape and gardens are listed grade II*, and St Giles Church is listed grade I.
28. The Corporation – as landowner, freeholder, and landlord - should be the guardian and steward of the whole Barbican Estate, both of its history and of its future, as one of the finest pieces of 20th Century urban design certainly in Europe and possibly the world. But the Corporation does not have the mechanisms to ensure that guardianship role. Instead the individual occupying departments are left to pursue their own individual goals, often at the expense of the whole (see also Appendix 1 for an example).

29. No Corporation committee has responsibility for the estate as a whole. Five committees (the Boards of Barbican Arts Centre and the Guildhall School of Music and Drama, the Board of Governors of the City of London School for Girls, the Culture, Heritage, and Libraries Committee, and the Barbican Residential Committee) govern parts of the estate. In addition the Department of the Built Environment and the Open Spaces Department provide services to the fabric of the estate. The City Surveyors Department also seems to have a say in the property of the Barbican (though their input - and their governance - is unclear to us). This results in the application of different standards of maintenance and development to the detriment of what is one of the most outstanding 20th Century urban developments. There is no strategy for the estate as a whole, each committee pursuing its own interests.
30. The estate needs a vision for the next 50 years and it needs to adapt to climate change. The Corporation therefore needs to establish a mechanism for establishing a strategy and implementation plan to maintain and enhance the estate as a whole, to which each of its parts (including residents) should have input and commit to.
31. Barbican residents care about preserving the architecture, concept, and community of the listed Barbican Estate as a whole neighbourhood. They often feel they are the only group who cares about the Estate as a whole: this should be acknowledged as a positive factor not a negative one and better ways established to engage them constructively.

Governance and management

32. The Barbican Residential Committee (BRC) oversees the Barbican Residential Estate - ie management of residences and ancillary accommodation (such as car parks and baggage stores and also the commercial premises). The Barbican Residential Committee has no remit over the other parts of the Barbican Estate.
33. The Barbican Estate Office (BEO) manages the estate. Its officers relate to the Barbican Residential Committee but they belong to the Barbican and Property Division of the Community and Children's Services Department. That means that they may sometimes act not in accordance with residents' interests (see case study in Appendix I). The BEO manages "business as usual" well (including reacting to events such as the need for upgraded fire risk assessment in the aftermath of the Grenfell Tower fire) but lacks the resources and empowerment to embrace change.
34. The Barbican Residents' Consultation Committee is a consultative committee to the Barbican Residential Committee. It was set up in 2003 following a vote by Barbican residents to give a say to leaseholders in the running of the estate, in recognition of the fact that 98% of its residents were long leaseholders and were therefore paying for the bulk of the maintenance of the estate through their service charges.
35. The Residents' Consultation Committee sees papers before they go to the Barbican Residential Committee and has a chance to discuss them and convey their views to the Barbican Residential Committee, via resolutions and their minutes.
36. But the members of the Residents' Consultation Committee feel that there are few *effective* ways for the Residents Consultation Committee to influence the Barbican Residential Committee and decisions about the estate:
 - there is no official route or support for the Residents' Consultation Committee to originate papers or detailed proposals to the Barbican Residential Committee.
 - The chair of the Residents' Consultation Committee is not a member of the Barbican Residential Committee (even as an observer or co-opted member) and nor is he/she invited to speak at the Barbican Residential Committee.

- There is no feedback mechanism from the Barbican Residential Committee to the Residents' Consultation Committee.
- The Barbican Residential Committee seems in practice to have little oversight of BEO expenditure: it seems mainly interested in whether the costs due to the long leaseholders are fully recovered (and hence the budget balances) rather than whether the services are efficient and the expenditure necessary, reasonable, value for money, and accords with residents' priorities.
- There is no forum where residents can systematically voice their preferences for the way money is spent. Joint resident-officer working parties have been set up to deal with major issues such as asset management and the underfloor heating system – but progress has been so glacially slow (years, not months) that the resident members have often given up.

37. The Residents Consultation Committee would be better able to fulfil its remit if it had *more effective* ways to influence what happens on the estate, how residents' money is spent, and have a say in the future of the estate, such as:

- the ability to submit papers to its parent committee
- a seat on the main committee for the Residents Consultation Committee chairman
- regular forums of the main committee and Residents Consultation Committee members
- a role in prioritisation and strategic planning for the estate
- more creative forums for problem solving on contentious issues (eg citizens juries)
- the ability to hold the BEO to account for value for money in the services provided (more transparency).

The Barbican Residential Committee or something else?

38. Residents feel strongly that the Barbican Residential Committee – or something like it – should continue – for the following reasons:

- At the time of the ballot of 2003, when the future governance of the estate was being considered, the Corporation offered to maintain a committee for the Barbican as a way of reassuring residents that their interests would not be lost when the Barbican Estate Office stopped being a separate department and was subsumed into the Community and Children's Services Department. It also offered the Residents Consultation Committee as a way for the service charge payers to have real influence as an alternative to a tenants management organisation or an arms length management organisation (and the Residents Consultation Committee was the option residents overwhelmingly voted for). Residents do expect the Corporation to honour its commitments, even if they were made some years ago.
- The Barbican is unique among the Corporation's other housing estates in being almost 100% privately owned – so costs are passed on in service charges; as payers of the bulk of the costs, the residents need a detailed voice in how they are spent
- It is not social housing (and was not designed as such);
- The Barbican Estate is a unique grade II and II* listed integrated neighbourhood, and so coordinating with the other occupants/service providers to the estate and having a holistic view of the Estate is important.

39. Residents fear their voice would be diminished should the work of the Barbican Residential Committee be subsumed into a committee with a different remit - as has been suggested in the past. However, we can envisage a committee with a wider remit than the current Barbican Residential Committee – as

outlined below. This would provide a mechanism for better overseeing the whole Barbican Estate (something we do feel is necessary), but it might risk diluting the focus of the current committee on residential and service charge issues. We have not resolved this dilemma among ourselves, so we are floating the idea for your consideration.

40. A “Barbican Committee” would have the remit of acting as the landlord (freeholder) of the entire estate – and hence recognise the Corporation’s real role as owner and guardian of the listed estate. It could:
- Retain responsibility for:
 - the residents, who are its tenants
 - the ancillary areas of the estate
 - In addition be responsible for:
 - the fabric of the public realm of the estate (in coordination with the Department of the Built Environment)
 - *setting standards* for the fabric of the entire estate (including the other elements – the Barbican Arts Centre, Guildhall School of Music and Drama, City of London School for Girls) and ensuring that the listed management guidelines are followed.
 - having regard to the fact that the Barbican estate is now part of a conservation area, be responsible for ensuring the conservation area guidelines and management strategy are followed (once these are produced)
 - producing a strategy for the whole estate and policies for the estate
 - setting policies and byelaws that govern behaviour on the estate
41. We are *not* suggesting that the “Barbican Committee” should take over the work of the Boards for the Arts Centre, Guildhall School, or Girls School, but that it should have a coordinating role for maintaining the fabric of the estate and resolving conflicts between estate users.
42. Whatever committee governs the Barbican, whether the Barbican Residential Committee or an expanded Barbican Committee, it should also have the explicit remit of ensuring, in consultation with the Residents Consultation Committee, that services for residents are provided *efficiently, transparently*, represent value for money, and accord with residents’ priorities.
43. We have pointed to areas where we think the City fails to be efficient, fair, transparent and accountable and made some suggestions for improvement, particularly in relation to the Barbican Estate.

For further information please contact:

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Footnote

*Except for residents of the houses in Wallside (nos 3-16), who bought out their freehold

Appendix I

The City of London School for Girls: a story of failures of governance

We describe this episode in some detail because we think it illustrates some failures of governance: inefficiencies and a lack of transparency, fairness, and accountability

The ancillary areas of the Barbican estate – the car parks, which are used for baggage stores, rubbish areas, parcel delivery stores as well as car and bike parks – are managed and budgeted separately from the flats. So facilities that the residents think of as a natural extension of their homes can in fact be removed/redeveloped by the City without agreement by the residents.

The City of London School for Girls (CLSG) is a private school owned and managed as a Corporation department (it is not a separate legal entity) and funded with the City Cash. It has always been part of the Barbican Estate. It has expanded over the years and made series of incremental expansions into open space on the estate.

In 2017 the school planned another expansion and wanted to build a prep school in one of the Barbican residential car parks and new dining and kitchen facilities under one of the residential blocks, Mountjoy House. Barbican Estate Office (BEO) staff were asked, we believe by the City Surveyor's department on behalf of the CLSG, to provide detailed information on alternative car parking space for residents who would be displaced by the proposals and other information that helped the CLSG build a case for its proposal. The time spent by BEO officers was not charged to residents, but it did represent an opportunity cost and it also led to officers dropping a proposal to build baggage stores for residents in the carpark, for which there was a demand, because of this new interest in the land (*which we as service charge payers had no knowledge of at the time and no say*). As far as we know the Barbican Residential Committee was not consulted about the school taking over the car park space or the BEO doing this work. *This process lacked transparency*. Residents opposed this proposal because it represented a loss of amenity and also because it impacted severely on the listed Barbican Estate and landscape.

The school withdrew that proposal in August 2018. But in December 2018 it produced a different proposal to expand, which did not include the car park but again included building kitchens and a dining area under Mountjoy House with additional new proposals build in open space in the estate. Opposition among residents to this proposal was strong and widespread because of the impact the proposals would have had on the listed Barbican Estate.

The proposals had to go through several Corporation committees to get approval – Resource Allocation, Projects Sub, Property Investment, Policy and Resources. The full proposals were discussed in the non-public parts of these committees, and freedom of information requests were refused because the school is private. The proposals had been approved up to “approved to go to a planning application” before the School even told residents, their neighbours, about them. At the time we found it difficult to get clear answers on whether and at what stage the “Corporation had approved” these proposals. Different officers and members gave us different answers (we don't think they were being deliberately misleading; we think they too were genuinely unclear and had to make some effort to find out because the whole process of approvals and when consultation with other stakeholders should happen is opaque). We understand that the project approval process (a series of gateways) is meant to be sequential, but it turns out that this project was given approval for stages 1,2,3,4 at a single meeting in December 2018. We are not sure how common that is, but it suggested to us at the time that the project was being pushed through.

The bias on the above committees is towards commercial development (there is an inbuilt majority of councillors from business wards), and we concluded that the Corporation has no good mechanism for

resolving clashes of interest between different interests in the Corporation early on in the process. The Corporation will say that the Court of Common Council is the place where disputes between separate committees and different interests are resolved, but this is a committee of over 100 councillors (most representing business interests) where the main tool for councillors to challenge is “questions” – which are allocated limited time.

In practice the decision on the school’s proposals (had the school not also withdrawn this second proposal) would have been subcontracted to the Planning Committee. That we argue would have been an abrogation of responsibility by the Corporation as landlord of the estate and custodian of a listed building – *ie a failure of governance*.

We discovered incidentally that most Corporation committees have no formal term limits for those sitting on those committees – for example, we know of one councillor who has sat on the school’s board of governors for 30 years (continuously except for a one year break)- and there may be others. This is counter to best practice guidance for the governance of schools, charities, and corporate entities.

The fuzziness of the distinction between the public sector and commercial roles of the Corporation also prevented the Barbican Association from having access to documents about the proposals early in their development. We argued that they should have been in the public domain [a clause in the relevant act excludes documents from being “non-public” if they are about a proposal that would result in a planning application to that authority]. When we put this to the Town Clerk/City solicitor’s department they took a long time to reply and obfuscated [which made us think we had a point about *lack of transparency and openness*].

Finally, although the school is funded by City Cash and not public money, we did observe *inefficiencies in decision making and a lack of accountability for the Corporation’s money*. The school was given £50,000 in autumn 2017 to do a feasibility study of three sites for expansion, one of which was the residents’ carpark (this information appeared on a public agenda). However, it spent this money before it had researched the market to determine what the school’s needs were. It subsequently did that research and as a result withdrew the original proposal for expanding the prep school. When the school came back with different proposals six months later, they moved through the gateway process very quickly (see above) and the school did not seem to acknowledge the listed nature of the estate as a constraint. The school (and its owner the Corporation) therefore incurred expenditure on professional fees in developing this second proposal before a Statement of Heritage Significance was produced and agreed with the planners, which we understand from the planners should have been produced at the outset. In December 2019 the school withdrew this second proposal after “reviewing its educational needs as it builds a strategic plan for the next five to 10 years...and mindful of advice from the City Corporation planners.” We believe that it will produce further plans for expansion and next time we hope it will engage with residents earlier and recognise the importance of maintaining the integrity of the listed Barbican Estate.