

Chair of Policy and Resources Committee,

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Deputy Chairman of Policy and Resources Committee,

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To the Masters, Prime Wardens, and Upper Bailiff of the Several Livery Companies of the City of London

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Dear Master, Prime Warden, Upper Bailiff,

City Corporation Governance Review Update

As you will know from previous communications, the City Corporation has been engaged for some time now in reviewing its internal governance arrangements. We thought we would take the opportunity to write to you to update you on the current status of our deliberations.

The review commenced with the engagement of Robert Rodgers, the Lord Lisvane, to undertake his [critical yet constructive external analysis](#). We thank him warmly for his extremely thorough and considered piece of work.

Given the scope and complexity of the Corporation, the recommendations were unsurprisingly far-reaching and it was clear that working through them would be a major task, particularly given the weighty historical issues and legal complexities of the City Corporation's various roles. That task became even more challenging as we were diverted by the need to wrestle with the impact of Covid and the question of the City's recovery, as well as some wider transformative restructuring within the Corporation which is changing radically the internal staffing structures of the organisation.

As an organisation which is governed by Member decision-making rather than Cabinet direction, it has also involved extensive Member consultation. The 125 elected Members of the City Corporation have deliberated extensively on the Lisvane recommendations in a structured and methodical fashion, with no fewer than 22 engagement meetings (chaired stalwartly by Chris Hayward) to work through carefully the various proposals and implications ahead of any formal consideration and assist us in reaching our conclusions.

The principal changes which we are proposing are as follows, the first three of which are already under way:-

- The establishment of an independent process for complaints and standards matters relating to Members, in place of the previous arrangements, which had lost Member trust. New arrangements implementing this proposal were agreed by the Court of Common Council earlier this year and we have since appointed a strong cohort of independent individuals to carry this forward.
- In relation to the City Corporation's work on U.K. competitiveness, itself the subject of a separate review undertaken by Sir Simon Fraser, Lord Lisvane echoed proposals for a dedicated strategy and a separate committee to help the City Corporation support the Financial and Professional Services sector and the City more widely, keeping London as the premier place in which to do business. This has now been delivered. Our Competitiveness Advisory Board and its supporting arrangements, established in Spring 2021, have allowed us to bring on board significant external expertise from major City institutions and, with the benefit of their expertise, we have developed

and now had approved our Competitiveness Strategy. This will serve us well in taking a more robust grip of the question of competitiveness moving forward.

- We have also already delivered on a suite of recommendations relating to the Bridge House Estates. In April 2021, we formally constituted the Bridge House Estates Board, which means that we are now better able to administer the charity independently in its best interests, and in a manner consistent with expectations of good governance and best practice within the charity sector.
- Finally, we are proposing far reaching reform to our general committee structure and our supporting processes and procedures. Addressing these will be crucial as we look to address some of the systemic problems around pace and clarity of decision-making which have challenged the organisation historically. In headline terms, the revised structure results in an initial 40% reduction in the number of committees, sub-committees, and working parties (from 135 down to 78) - and a number of the remaining bodies are also time-limited, so we expect to see further reductions thereafter.

Of direct relevance to the Livery, we're firmly supportive of Lord Lisvane's recommendation to leave our constitutional arrangements - including Common Hall - well alone. The Livery Committee itself was mentioned only briefly, as it falls outside of the Common Council's remit, but there was a desire expressed amongst many Members to sharpen our engagement and communication activity with the Livery, whether that be through the Livery Committee or otherwise. We have been appreciative of the many ideas put forward by the Livery during our review and there may be opportunity in the future to collaborate, particularly on areas of shared expertise, such as education and philanthropy.

Lord Lisvane, fairly, observed in his Review that *"the complexity and slowness of decision-making within the Corporation is extraordinary...It is not too much to describe it as sclerotic."* Having felt the same when determining to initiate this review process, we are pleased now to be in a position where we believe that this package of proposals will address the particular weakness in our existing governance arrangements, and are commending them to our colleagues accordingly. However, we are clear that this is not simply the end of a process; rather, we intend that this will lay the groundwork for continued and further improvements as time passes.

Clearly, there is a lot of detail which sits behind all of this. Nevertheless, we hope this overview is a helpful summary of the position and is of interest to you, and [further detail is available in the report on the City Corporation's website](#).

At this stage, the proposals have been endorsed by the relevant sub-committee of Policy & Resources and been reviewed by all Members at an informal Court meeting last week. They now go to Policy & Resources formally on 18 November, and then on for final approval by the Court of Common Council in December. The papers for that Court will be available on our website in the usual way. Implementation of whatever is ultimately agreed would then take place in April 2022, which is the beginning of our municipal year. We are also recommending a light touch review after a year, to assess the efficacy of the arrangements.

Yours faithfully,



Catherine McGuinness
Chair, Policy and Resources



Christopher Hayward
Deputy Chairman, Policy & Resources