

26 March 2010

## **Submission on Ward Boundary Review by Ward of Cordwainer Councilmen**

### **Introduction**

This paper is a response by the three elected Common Councilmen for the Ward of Cordwainer, Sir Michael Snyder, George Gillon and Mark Boleat, to the proposals in the City of London Ward Boundary Review published on 17 February 2010.

### **Summary**

The Review estimates the Cordwainer electorate at 413. The figure should be at least 100 more. This is because the calculation for the Walbrook Square development produces a number of electors (42) that cannot be reconciled with any objective assessment of what the figure either will be in the future or what it was when the site was previously occupied. Walbrook Square is a huge development of 124,000 square metres yet has been credited with the same number of electors as a new development of 50,000 square metres and with two existing developments in the Ward that are under one fifth of the size. When the site was previously occupied it had 150 electors.

The nature of the City is such that there can be frequent and significant changes in the sizes of the electorates of the smaller wards, and significant uncertainty in respect of future changes. Changes in the number of seats per ward at fairly short intervals do little to improve the quality of representation but rather serve to disrupt. In any event, differences in the ratio of electors to representatives are not significantly greater in the City than elsewhere in the UK even if no changes were made.

The City of London is not like other local authorities in that the work of the elected representatives is largely concerned with the services the City provides to London as a whole and the financial services industry rather than typical local authority services. There is a reasonable case to be made for a more even distribution of councilmen between wards so as to better distribute the workload and opportunities.

### **The estimated electorate for Cordwainer is far too low**

This section challenges the figure for the electorate for the Ward of Cordwainer that is in the Boundary Review, arguing that it should be about 519.

Currently, the Ward of Cordwainer has 326 electors. The 2010 figure in the Ward Boundary Review is 413, allowing for developments in the pipeline. There are two major office developments in the Ward - Bow Bells House, which has recently been completed, and Walbrook Square, which is still in the development phase. Bow Bells House has just two voters on the electoral register, the Bank of Ireland having only recently moved in and the remainder of the building being vacant when the register was compiled. There were no electors in what will be Walbrook Square. Since the register was compiled Aberdeen Asset Management has moved from 1 Bow Churchyard to Bow Bells House, thus vacating 1 Bow Churchyard.

Walbrook Square is the key development. (Walbrook Square occupies a substantial "island site" that previously included Bucklesbury House but also buildings with addresses in Queen Victoria Street, Cannon Street, Walbrook and Budge Row. For simplicity the term "Walbrook Square" is used to cover the whole area, past and present. Application for demolition has

just been made to the City by the owners, Legal and General, as a precursor to the development process.) The current plan is for 1.238 million gross square feet of office space and 97,500 gross square feet of retail space. The office space is in four separate buildings and this factor, together with the huge size, means that a relatively large number of occupiers is likely. A commercial occupier would work on between 100 and 150 sq ft per worker. Taking a very conservative estimate of 750,000 net sq ft and 150 sq ft per worker produces 5,000 workers. And there are likely to be at least 20 retailers, of the boutique nature rather than chain stores. In terms of workers, and therefore voters, a conservative estimate would be along the following lines –

Three large occupiers, 1,300 workers each	105 electors
Four medium sized occupiers, 200 workers each	52 electors
Ten small occupiers, 30 workers each	60 electors
5 large retailers, 20 workers each	20 electors
20 small retailers, 5 workers each	20 electors
Total	257 electors

The standard assumption in the Ward Boundary Review is that 61% of the potential electorate registers and that there is an 8% vacancy rate, which would reduce the number to 144.

The following table suggests what the electorate of the Ward will be when all current developments are completed, allowing for the 61% registration rate and 8% vacancy rate.

Current number of electors	326
Plus occupier of 1 Bow Churchyard	15
Plus Bank of Ireland (Bow Bells House)	11
Plus Burdale Financial (Bow Bells House)	3
Plus 69 Cheapside/1 Queen Street	10
Plus shops in Bow Bells House	10
Plus Walbrook Square offices	122
Plus Walbrook Square shops	<u>22</u>
Total:	519

Notes:

1. Aberdeen Asset Management (a single occupier) had 17 voters when it occupied One Bow Churchyard. Again, a conservative estimate of 15 has been taken for the new occupier. This is likely to be significantly higher if there is more than one occupant.

2. 69 Cheapside/1 Queen Street is a recently completed refurbishment with already two tenants: a branch of Santander and the Ghana International Bank. The building is likely to be occupied by a number of relatively small tenants so the figure of 10 is a conservative estimate.

This calculation was done before the precise methodology used in the Boundary Review was known. The Town Clerk has set out the methodology for calculating the voter numbers for Walbrook Square as follows -

“We have banded all planning pipeline sites into three categories, small, medium and large. The large site is anything over 50,001+ sqm. We have looked at these types of buildings and have been able to obtain a City average of 19 occupiers for a site of this size. The estimated number of units was then adjusted by 3 factors to produce an estimated number of extra votes the site. The total number of units on the site was reduced to allow for the average 8% vacancy rate. It was then reduced further to allow for the 61% average registration rate. It was then increased to allow for the average 4.0 votes per occupied unit, again using City averages.

This produces the following formula for Bucklersbury House:

**19 Units X 4 Votes X .92 (Vacancy Rate) X .61 (registration rate) = 42 Votes”**

The number of voters that results from this methodology is just less than one third of the total the came from the earlier analysis. The methodology used in the Boundary Review is fundamentally flawed in a number of respects. The four votes per unit implies a staff of 40 (allowing for the deductions which are accepted). There will be around 5,000 workers in the new Walbrook Square so this is clearly unrealistic. The methodology should have used a proportionate scale not a simple banding, which has the illogical result of producing the same number of voters for 50,000 square metres at it does for a development of 124,000 sq metres, two and half times that size.

It is accepted that the Boundary Review cannot look at individual developments in the sort of detailed way that was done earlier in this paper. It is more appropriate to use broadbrush estimates. There are three such ways of testing the methodology used by the Boundary Review.

1. Go back to when the Walbrook Square site was occupied (but noting that the new development will be significantly larger). The 2006/07 electoral roll shows -

29 businesses

164 registered voters in “Walbrook Square”

A total electorate of 424

The 164 figure should be discounted to around 150, to allow for the fact that 25 of the voters were partners in a law firm, something that is unlikely to be replicated. The 150 figure is over three times that calculated in the Boundary Review and roughly the same as that resulting from the methodology used earlier in this paper.

2. Correct the Boundary Review's calculation using more realistic assumptions. Walbrook Square will be over 100,000 square metres so it is reasonable to assume a minimum of 38 businesses rather than 19. An average number of voters is a difficult concept. The approach outlined earlier is the most sensible. However, if a simple average is to be taken then it is useful to go back to the electoral roll for 2006/07 when the whole of the site was occupied. This produces a reverse calculation as follows -

29 Units X 9.2 Votes X .92 (Vacancy Rate) X .61 (registration rate) = 150 Votes

That is the average number of voters per unit was 9.2 not 4. Rounding this down to 9 produces the following calculation –

**38 Units X 9 Votes X .92 (Vacancy Rate) X .61 (registration rate) = 192 Votes**

3. Look at other buildings in the Ward as comparators -

- Bow Bells House (20,000 sq metres) is now fully occupied with Aberdeen Asset Management (17 voters in their previous office so assume the same), Bank of Ireland, 500 staff so (discounted) 11 voters and Burdale Financial, 30 staff so (discounted) 3 voters. In addition there are six retail units that can be assumed to produce 10 voters. A total of 41 voters.
- No 1 Poultry (14,000 sq metres) has 42 voters.

It will be seen that two existing developments in Cordwainer, Bow Bells House and No 1 Poultry, have 41 and 42 voters respectively. Walbrook Square is over five times larger than Bow Bells House and over eight times larger than No 1 Poultry.

Finally it is worth applying the commonsense smell test. The Cordwainer electorate over the last few years has been -

- 2006/07 424 (No Bow Bells House and some other minor developments in progress.)
- 2010/11 326 (No Bow Bells House, some minor developments and no Walbrook Square.)
- 2010 Boundary Review estimate 413 (allowing for Bow Bells House and Walbrook Square.)

It is inconceivable that the electorate could have declined between 2006/07 and 2010 bearing in mind that Bow Bells House was not occupied in 2006/07 and that Walbrook Square is much larger than its predecessor and that other developments have been completed.

The general conclusion is that the Ward Boundary Review estimate of 42 voters for Walbrook Square is a gross underestimate –

- A proper, but very conservative, analysis produces a figure of 144.
- The Walbrook Square site had 164 voters (which can be discounted to 150 because the 164 figure included partners of a law firm) before the buildings were closed.
- The building is two and half times as big as other developments that will also be credited with 42 voters. Correcting for this and allowing for a more reasonable nine electors per building (the actual figure for the site in 2006/07) produces 192 voters.
- There are two other developments in Cordwainer with 41 or 42 voters; each is less than a fifth of the size of Walbrook Square.

It is difficult to conclude that the figure for Walbrook Square could be anything less than 144 rather than 42.

### **The nature of the City's non-residential wards**

This submission is concerned only with the non-residential wards, so it is helpful to comment briefly on the nature of the wards. It is recognised that in the residential wards there is a significant workload on the elected representatives in respect of their residents, and the workload increases with the number of electors. However, this is not the case in the non-residential wards. The wards are all small, are very close together and the interests of

resident and business voters are much the same in each of the wards rather than varying between them because of the particular circumstances of the ward.

The vast majority of the work of the elected representatives for the non-residential wards, probably over 95%, is not concerned with the ward in question or particular issues special to the electors but rather reflects the more wide ranging work of the City of London in providing services to London and to the whole nation and in the promotional work on behalf of the world's leading financial centre. The elected representatives of the Ward of Cordwainer reflect this position, the three members having held or currently holding the positions of Chairman of Policy and Resources (with no special interest for the Ward), Chairman of the Markets Committee (the markets not having any impact on the Ward) and Chairman of the Property Sub-Committee (the City owns no property in the Ward).

The electors of the Ward of Cordwainer, like the electors of the other non-residential wards, are electing members not specifically to serve the interests of their constituency but rather the wider interests, which are the sole reason for existence of the City of London. A glance at the election manifestoes of the candidates in the non-residential wards confirms that this is the case, with many of the issues covered relating to the City as a whole and with the candidates stressing their qualifications to provide, or help provide, the services that the City provides rather than issues specific to the ward.

### **Uncertainty and disruption**

The Review is proposing a modest reallocation of councilmen between wards. This will have no beneficial effect in terms either of representation of electors or the operation of the Corporation. Rather, it will serve to disrupt some longstanding relationships for no apparent purpose.

This point is strengthened because of the uncertainty that must attach to the current estimates of the electorate (taking account of planned developments) together with significant changes that are inevitable in an area where the wards are small and development activity significant. This point can usefully be illustrated by comparing the estimated total electorate in 2003 with the new estimated figures for 2010. In practice, the 2003 figures were all substantial over-estimates because 100% registration was assumed. On average, the 2010 figures are 40% lower than the 2003 figures. However, in the case of five wards the reduction was greater than 50% and in the case of four wards the reduction was 30% or less. The average variation from the 40% figure was 10% and the maximum variation was 30%.

These sorts of variations can be expected to continue so that when there is another review there will be, assuming the current practice continues, another series of minor reallocations of seats between wards, some reversing the proposed reallocations in the current round. The impact of this can usefully be examined by looking at the small wards. The Boundary Review gives the electorate for the Ward of Cordwainer as 413 (a figure that is a substantial underestimate but is used for the purpose of this comparison). If a 10% variation is allowed the figure could be as high as 454 or as low as 372. The Ward of Cheap has an estimated 473 electors, but allowing for a 10% variation this could be between 426 and 520. Under the proposals the Ward of Cordwainer will go down from three to two members and the Ward of Cheap will go up from two to three members. However, if the Cordwainer estimate is too low by 10% and the Cheap estimate too high by 10% then the position would need to be reversed at the next review. The disruption does not seem worth the effort.

## **The two member/three member ward issue**

The Ward Boundary Review explicitly suggests that electors are disadvantaged in the wards where there are higher ratios of electors to councilmen. This misunderstands the work of the elected representatives for the reasons stated earlier in this paper. To the extent that any electors are disadvantaged, this is either because the elected representatives do not perform adequately or because the way that the City of London Corporation operates means that their elected representatives are not able effectively to perform their functions.

Much of the work of the Corporation is conducted by ward committees, and, indeed, the way that newly elected members in particular are able to have an impact is through membership of ward committees. The larger the number of members per ward the less members are able to get involved because they will sit on fewer committees. Conversely, in the case of wards with two representatives the workload in respect of participation in committees is excessive.

Currently, there are eight ward committees. Where a ward has two members, each member serves on four committees (although sometimes they opt out of one or more). Where a ward has four members, each member serves on two committees, and in some of the wards, at present, some of the members can serve on only one committee. This is not efficient or fair for the members or, indeed, for the electors they represent. In respect of the non-residential wards, electors would be better served and members given equal opportunities if there were an identical number of members per ward or side of ward.

This point can usefully be illustrated by contrasting the position of two new members. Oliver Lodge was elected in March 2009 for the first time for the two member ward of Bread Street. He sits on three major committees: City Lands, Community and Children's Services and Planning and Transportation. Henrika Priest, elected for the first time for the seven member Ward of Castle Baynard, is able to sit on only one ward committee (Libraries etc) which meets just four times a year. Mr Lodge has over 25 ward committee meetings a year to attend; Ms Priest has four.

The review says that if the minimum of three members per ward is adopted then this would lead to a variation from one member for every 113 voters to one member for every 263 voters, which is a gap of 132%. This is significant but it is not way out of line with the position elsewhere in the country. There is a gap of 112% between the smallest and the largest parliamentary constituencies in both England and Wales, and in Scotland the gap is 151%.

This response is not arguing for a minimum of three members per ward but it is pointing out that the analysis in the Boundary Review is at best partial and that the issue merits careful consideration.