

## WINTER LUNCHESES

6<sup>TH</sup> DECEMBER 2023

### THE CITY OF LONDON CORPORATION AND THE LONDON LIVERY COMPANIES

The best way to approach this subject is to deal with each of the two components separately and then draw the threads together. I should add that I am a member of both - I have been a liveryman for just short of 50 years and Master of my company, the Girdlers, in 2008/9 and was elected a member of the Corporation in 2009 and still am so elected.

#### THE CORPORATION OF THE CITY OF LONDON.

The head of the Corporation is the Lord Mayor. The office dates from 1189 as “mayor” with the title “Lord” be added in 1354. The importance of the position is indicated by the presence of Lord Mayor at the signing of the Magna Carta, the only commoner present. They must be an Alderman, a Freeman of the City of London and have been a Sheriff. They will be a member of at least one livery company; often many more, some are members of a dozen Livery companies. They serve one year from the silent ceremony – the second Friday in November to the next such ceremony. On the following day, Saturday, is the Lord Mayor’s show – the largest unrehearsed procession in Europe at a length of 3.5 miles - with the Lord Mayor’s banquet in Guildhall on the following Monday at which the Prime Minister speaks. Don’t confuse the Guildhall (the hall of the Guilds) with the Mansion House where the Lord Mayor lives for their year of office and to which the Chancellor of the Exchequer comes in June. The Lord Mayor is elected indirectly by the Livery in Common Hall – the Livery elect 2 individuals from whom the Court of Alderman select one to be Lord Mayor. During Covid the Lord Mayor did 2 consecutive years – the first time since 1862. They spend at least 100 days away selling the UK Financial services industry around the world and assisting in making the City the financial centre of the world, have the status overseas of a cabinet minister, can seek a private audience with the Sovereign at any time and in the City take precedence over everybody apart from the Sovereign. Indeed the Sovereign has to seek the permission of the Lord Mayor to enter the City. Upon the successful completion of their year in office they normally receive a knighthood or damehood. It is a very demanding year which requires a lot of energy. The Lord Mayor makes on average 3 speeches a day and has 2 speechwriters.

The office of Sheriff whose role was to collect taxes and ensure civil order is older than Lord Mayor going back to Anglo-Saxon times in the 7<sup>th</sup> century. Until 1189 they were appointed by the Crown but soon after the office of Mayor was created they became subservient to the Mayor. The two sheriffs are elected by the Livery each year. It must be the longest continually functioning election in the world. They look after the Old Bailey judges and indeed live in the flats there for their year. They accompany the Lord Mayor on his overseas trips

The Common Council consists, like the Westminster parliament, of 2 parts – firstly the Court of Aldermen. They originated in Anglo-Saxon times (from elder men). From the 13<sup>th</sup> century they consulted citizens from their ward. One is elected for each of the 25 wards. Secondly, 100 Common Councillors distributed around the wards on the basis of population. Mine is the Ward of Cornhill with 3 Councillors. Both are voted in on the same franchise but for differing times – Aldermen every

6 years in a bespoke election and Common Councillors every 4 years. The difficulty we faced was how to enfranchise the non-resident 587,000 persons who commute into the City every day. The franchise is as follows: for every resident one person, one vote but for non-residents the business vote was introduced which is unique to the UK in that employees of companies get votes on a sliding scale according to the number of employees eg with 10 employees 1 vote, for 30 employees 2 votes. In my ward I and my 2 colleagues have 350 odd voters. At elections I sit outside the polling station, normally on a freezing day in March, and see 1 voter per hour enter. The vast majority of votes cast are postal votes. Once elected you are eligible to be elected in secret ballots for the committees. As you can imagine there are a huge number of committees to cater for the vast range of responsibilities. Over 95 of the 100 Common Councillors stand for election as “independents”; the remainder stand as “Labour”. Unlike elsewhere there is no political organisation or political line to toe. There is no whipping system although it is politics with a small p. To stand for election you must be a freeman of the City of London. It is a much older institution than Westminster who copied a lot of our practices.

The Corporation has 4 major roles:

**First** it is to promote the UK’s financial and professional services industry both at home and abroad. This industry employs over 2.5m people, generates £278bn of economic output – 12% of the national output. It is responsible for around 1 million jobs nationwide two thirds of which are outside London. Finally, The City is rapidly becoming the global centre of green finance.

**Second** the government role. London is of Anglo-Saxon origin. It enjoyed rights and privileges under Edward the Confessor. King William 1 (the Conqueror) granted London a Charter in 1067 – we still have the tiny and succinct document with his signature. The City submitted to his authority in return for the maintenance of its privileges. It is interesting to note that he built the Tower of London near the City’s walls so that he could keep an eye on the City with the Tower being a physical reminder to everybody of his power. Even so the Corporation has survived all attempts to expand it, merge it or abolish it. It was a plural and democratic institution way before Parliament. It had a water supply from the 1600s and a less than inadequate sewage system. Furthermore it was considered to be well governed - much better than the metropolis on its doorstep. It resisted pressure to become the organ for London wide government. Elections to Common Council which is composed of both Aldermen and Common Councillors, have occurred since 1384. So if Westminster is the mother of Parliaments then the Common Council is the grandmother of Parliaments. In any event it is the oldest municipal authority in the world.

Now the Corporation’s responsibilities fall into 2 parts: the normal responsibilities of a London borough. Thus it runs social care, city police, environmental provision, highways, leisure and planning from a fund called the City fund. In addition it has, unlike any other local authority, responsibility for a range of operations which have been acquired down the centuries and is funded by another fund called City’s Cash. We operate and finance, in part, the following:

- the Old Bailey
- The City of London Police, incidentally the leading anti-fraud and cyber-crime police force in the country
- the Guildhall School of Music and Drama, one of the leading conservatoires in the world

- The Barbican centre (the largest multi venue, integrated arts centre in Europe with 2 cinemas, 2 art galleries and a 2000 seat concert hall) making the Corporation the third largest sponsor of the Arts in the UK
- 11,000 acres of open space including Hampstead Heath, Epping Forest, Burnham Beeches and West Ham Park.
- 5 independent schools, the Boys' school (of which I was Chairman of the Governors for 3 years) the Girls' school and Freemans' and, to a lesser extent, the associated schools of Christ's Hospital and King Edward's Witley both of which I am a Governor.
- The wholesale markets - Smithfield, for meat, Billingsgate, for fish, and Spitalfields for flowers and vegetables
- an Academy Trust
- London Metropolitan Archives which has Peter Blundell's will
- the Heathrow Animal Reception Centre
- the City Bridge Foundation which finances 5 London bridges - Tower, London, Southwark, Blackfriars and Millenium with a permanent endowment of £1bn and surplus funds of around £40mn pa to give to London charities and making it thereby London's largest charity.
- catering for 10mn visitors a year
- the Museum of London (temporarily closed)
- hosting on a State visit a banquet for 750 people
- The Honourable the Irish Society is now a charitable organisation distributing charity around the towns of Derry Londonderry and Coleraine. In the reign of James 1, fearing a French invasion up the River Foyle, he instructed each Great 12 Livery company to form a syndicate of lesser livery companies and colonise the area with apprentices. Hence the names of Londonderry, Cookstown and Draperstown. In addition the apprentices were all of the protestant faith.

Each responsibility has a committee answerable to the Court for its operation. The finances of the Corporation can be divided into three. It has total assets of £6bn split into 3 funds. The City Fund which collects and receives part of the business rates, the Council tax and some investment income finances what might be termed the local authority expenditure and those services, like the Barbican which we provide for the nation. The second part is City Cash which has half of the assets and a budget this year of £65mn finances the independent schools, the Guildhall School of Music and Drama, the wholesale markets, open spaces and the work of the Lord Mayor. The final part is the City Bridge Trust (now renamed the City Bridge Foundation) with assets of £1.6bn which maintains 5 bridges over the river – Tower, London, Blackfriars, Southwark and Millenium. In addition it distributes around £40mn to London based charities and is the largest charitable donor in London. We only receive a little from central government for the City Police. We self-finance the remainder. The assets of the Corporation are split roughly half and half between property and securities managed by about 8 fund managers. We have 874 heritage assets and 320 properties.

Old customs are carefully preserved. There are a number of senior officers, the Chamberlain, in charge of accounts, the Remembrancer, in charge of the relationship with the Monarchy and Parliament and so on. There is now a small fund which can provide a very modest sum for members who request it. Most however give their considerable time free and contribute to the Corporation drawing on their experience at work either past or present.

The Herbert Commission on London Government which reported in 1960 said:

“the City is in some respects a modern local authority... in other respects it is unlike any other municipality. Its wealth, its antiquity, the enormous part it has played in the history of the nation, its dignity, its traditions and its historical ceremonial make the City an institution of national importance. With reference to reforming the City, logic has its limits and the position of the City lies outside them”.

We were reminded of the City's historical role after the death of HM The Queen. We were all summoned to the Royal Exchange to hear the Proclamation of the new King. The City's ancient right to hear the Proclamation makes it the second venue to hear the proclamation after St James's Palace. I suspect that this may reflect the City's importance in providing finance for the Monarch's wars. Again at the Coronation the Lord Mayor took the crystal sceptre to the ceremony which was Henry V's gift to the City in return for financing his campaign in France which ended with the battle of Agincourt.

More information on the Corporation can be found in Paul Jagger's readable “the City of London Freeman's guide”.

#### THE LONDON LIVERY COMPANIES

The Head of the Livery is the Lord Mayor. If the Livery companies did not exist there is little chance that anyone would invent them today. Yet there has been a steady increase in the last 2 decades. To become a Liveryman of a company you must first be admitted to the Freedom of the City of London. Every year about 1900 persons are admitted and the total number of Freemen is about 50,000. Then you are eligible to become a Liveryman of any number of Livery companies. Freedoms have been granted since the 13<sup>th</sup> Century. The prosperity of the City of London was and is based on trade and obtaining the freedom conferred certain privileges eg the, to us, quaint privilege of marching your sheep across London Bridge but a vital privilege in medieval times for a shepherd being able to transport his sheep from Romney Marsh, Kent across the River Thames to be killed at Smithfield or if an orphan child of a Freeman, to attend, free, the Freeman's school now in Ashstead, Surrey, to be exempt from the press gang. The freedom is a hereditary right inherited by children of Freemen so long as the child was born after either parent was admitted to the Freedom. Once aged 18 children of Freemen may be admitted to the Freedom. A long tradition exists in Livery companies of renewing their members through this right of “patrimony”. If not so eligible you are admitted by “redemption” by a short ceremony in the Chamberlain's Court with your name and sponsors set in the monthly reports given to the Court of Common Council. I was so admitted but my younger brother was by “patrimony”. The Freedom is the unique gift of the City of London. There are 25,000 Liverymen and recent eminent examples include Judi Dench, Tim Berners-Lee. There are a very limited number of Honorary Freemen – the book recording their names started with Pitt the Younger and has yet to complete the first volume. The right to admit a liveryman to a company is the exclusive right of the Livery company.

Although there are some medieval guilds in some European and South American cities the relationship between the Livery companies and of the City of London and local government in the form of The Corporation of the City of London is unique. Down the centuries the Guilds have survived by constantly reinventing themselves. The early guilds which commenced as friendly

societies and which altered over time into Livery companies were medieval religious fraternities – hence so called the worshipful company of X trade – soon adopted trade and craft characteristics. They were granted wide powers through successive royal charters (with the monarch often demanding a large cash payment in return), the oldest of which is the Weavers dated 1155. Charters were very important because it enabled the company to hold property in perpetuity. By 1439 the Drapers Company was the first corporate body to be granted armorial bearings and copied by many institutions since eg this school. They became involved in educating apprentices for their trades, regulating their trades and establishing through powers of inspection and enforcement early quality control of the products of their fellow members. These trades were artisan trades which with rising prosperity went into luxury goods. All of this is overlaid with a tradition of fellowship and Christian brotherhood. The growth of population of Tudor London and arrival of more skilled labour fleeing from the religious wars in Europe encouraged the companies, aided by the release of capital from the dissolution of the monasteries, to look further afield for commercial ventures, for example the East India Company, whose HQ is now the site of a pub in Eastcheap, the Hudson's Bay company with the beaver weather vane and the Canadian frieze on their old building in Bishopsgate and, of course, Gresham's grasshopper on top of the Royal Exchange. Other examples would be the Levant company, the Virginia company, the Muscovy company and the Ulster plantation, now called the The Honourable Irish Society, with the Royal Exchange opening in 1566 built by Thomas Gresham who had just deserted the then financial capital of Europe, Antwerp, all ventures in the hope of substantial profits.

It was a natural extension to have premises where fellow tradesmen could meet and discuss trade matters; hence the 40 Livery Halls for the respective company and which now often also provide office facilities for those Livery companies without a Hall. Halls are now used to generate income.

I noted that they are continually reinventing themselves. No better example of this is the formation by 16 companies and the Corporation of the City and Guilds Institute in 1868 under political pressure from PM Gladstone who had set up an enquiry thinking that they should be abolished. It provided the basis of a technical education. City and Guilds now offers 500 qualifications in 28 subjects operating in 100 countries with 2 million learners globally. Another educational establishment formed by the Liveries was Imperial College which is now of the top Universities in the world.

The Livery also became the electoral college for, firstly, the annual election of two Sheriffs on 24<sup>th</sup> June each year who oversee the operation of the Old Bailey and, secondly, approve two Aldermen from whom the Court of Aldermen can choose one to be Lord Mayor on the 29<sup>th</sup> September each year. The Livery thrives and remains relevant as charitable and educational institutions and some retain strong links with their profession, trade or craft. The maintenance of tradition fosters the timeless values of pride in belonging, high standards, continuity and a sense of duty in managing the company's affairs. Hence the strong links of ethos to the Armed Forces.

The charitable and "probono" activities are wide ranging and successful. In addition to charity there are the Almshouses. Older companies have been blessed with assets donated by former members but the younger companies rely on the efforts of individuals.

Upon being accepted by the Court of Aldermen every Livery company is given a number which denotes their position in the order of precedence. In 1515 at the time of Henry V111, the Court of Aldermen re-ordered the order of precedence for the numbers 1 to around 60 and it is still in use

today. My company is number 23. I think that we may have been in the Great 12 but thrown out which reflects the declining importance of our trade – the manufacture of belts. The Mercers who traded fine cloth remained at Number 1 and were and are today by far the wealthiest company. Dick Whittington, a mercer, who died 600 years ago still has the money which he placed in trust administered by his company. There was then a gap from the early 18 century to 1932 of no companies until the Master Mariners in that year. After the war the service trades were taken in – the accountants, surveyors etc. Now there are 111 with four more in the pipeline. No 100 is the Information Technologists which were certainly not around in Henry V111's time! The Great 12 are the companies ranked 1 to 12 and keep themselves a bit separate from the rest. They are in descending numerical order the Mercers, the Grocers, the Drapers, the Fishmongers, the Goldsmiths, the Skinners, the Merchant Taylors, the Haberdashers, the Salters, the Ironmongers, the Vinters and the Clothworkers. Peter Blundell in his will gave £150 in 1601 to each of the Great 12. That is now worth £37,500 to each company.

I have brought with me the most recent report of the Livery on its activities. You can study the detail later but the headlines are:

- A total of £75mn; education received £30mn, almshouses £9mn, and a host of other causes to support including the armed services, employability and support to discourage prisoner re-offending
- 143,000 hours of pro bono time of liverymen
- 1000 School Governors and charity trustees
- 200 charitable funds overseen by Livery companies. 75% of the income comes from the careful management of historic assets and the balance from the current membership
- 175,000 meals provided to St Barts hospital during the pandemic

Despite sharing a common ethos all Livery companies are different. It is, in short, a commonwealth of states. There is a friendly rivalry. The Master who is subject to annual election by the whole livery of the company heads each company for a year having risen through the ranks of the wardenships for up to 4 years. Responsibilities (eg finance, charity) are delegated to committees of the Court of the company. The administration of the company is provided by the Clerk which is a salaried position. Companies have Chaplains and Beadles who are responsible for events in the Hall and safekeeping of treasures. The culture is that of practical men and women of business.

In conclusion the attractions of the Livery are

- Charity – some companies administer bequests given centuries ago
- Citizenship – you can vote for both the Sheriffs directly and the Lord Mayor indirectly both officers of the Corporation
- Commerce – all companies support trade
- Comradeship
- Conviviality

In addition they are collegiate, support the Corporation electorally and never forget their religious roots. The head of the Livery is the Lord Mayor. In short it is a unique philanthropic force.

## CONCLUSION

When you enter the City of London you are entering another world with all its historic quirks eg the 40 Livery halls, the 42 historic Churches, the City of London Corporation all within a square mile. The City is and always has been a machine for generating wealth but also for applying that wealth in a sustainable way in the true sense of that word. What strikes me about these two institutions – the Livery and the Corporation- is their sheer age and the experience of life which that antiquity confers on them. Both institutions are riddled with history and tradition. As I say Westminster is a relatively new institution which copied some of the practices of the Corporation. Like all institutions which survive a thousand years they adapt and change to suit the times. Yet what also strikes me about the Livery, in particular, is the timeless value of the ethos which it represents whether it is pursuing education, learning trade, looking after fellow citizens, a belief in community all overlaid by a sense of Christian brotherhood. Time and time again this ethos comes back into fashion; take apprenticeships which virtually died out in the 80s, 90s and noughties and yet now are all the rage again. Dick Whittington, famously Lord Mayor in 1420s, would recognise the Livery today. The Corporation also has an unchanging ethos - a belief in education, community, the arts and alleviation of ills. Yet what you also learn at the Corporation and the Livery is how to generate capital which can be applied to these ends and make it sustainable. The Livery is composed of a successful trading class which not only generates capital but also ensures that it endures thereby providing the means by which the income can be applied. In that sense the City has a different culture to everywhere else and is composed of people who wish to see it maintained.