

Is it time for a Monastery Moment - or is now the time ...

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I wrote yesterday about the lack of accountability of the City of London - and reported the opinion, so eloquently related by Maurice (Lord) Glasman that the City of London Corporation is, in effect, a separate state within the UK. It is a captive tax haven, quite beyond the control of the UK parliament.

I have looked a little further into this. It is not quite true that the Corporation of London does not put accounts on public record. [It does.](#)

It's also not completely true that it does not disclose its assets. To [some degree it does](#). The last time it did so - in 2007 - it revealed it had £900 million in investment property assets not used for the purpose of fulfilling its duties as a local authority.

But that is not the whole story. The implication of the accounts is that they're the whole story of what the City does - as a local authority, albeit the weirdest one in the UK. But that is not true. Because as you note if you hunt a little further on their web site there's also this entry:

City's Cash

This is a private fund built up over the last eight centuries. Its incomes are derived mainly from property, supplemented by investment earnings and the fund is now used to finance activities mainly for the benefit of London as a whole but also of relevance nationwide. The management and conservation of over 10,000 acres of [open space](#), all of the [Lord Mayor's activities](#), Smithfield, Billingsgate, and Leadenhall [markets](#), three of the highest achieving independent [schools](#) in the country and the Guildhall School of Music and Drama — all these are paid for by City's Cash at no cost to the public.

This is the source of the City's power. And note - this is a 'private fund'. How come a local authority has a 'private fund'? Can anyone explain that? It does of course prove Maurice Glasman right

And yes, these funds might maintain Epping Forest. But let's not get too distracted by that.

And why is a local authority that has just one state primary school also funding three independent schools? And a drama college (and as a former director of one of its rivals I do not think this a burden on its books, by the way).

No, this fund does indeed finance the Lord Mayor's activities. Let's look at [what the Corporation says its roil is](#), and then look at the Mayor's:

The City of London provides local government services for the financial and commercial heart of Britain, the 'Square Mile'.

It is committed to supporting and promoting 'The City' as the world leader in international finance and business services through the policies it pursues and the high standard of [services](#) it provides. Its responsibilities extend far beyond the [City boundaries](#) in that it also provides a host of additional facilities for the benefit of the nation. These range from [open spaces](#) such as [Epping Forest](#) and [Hampstead Heath](#) to the famous [Barbican Arts Centre](#).

The City of London combines its [ancient traditions](#) and ceremonial functions with the role of a modern and efficient local authority, looking after the needs of its residents, businesses and over 320,000 people who come to work in the 'Square Mile' every day. Among local authorities the City of London is unique; not only is it the oldest in the country but it operates on a non-party political basis through its [Lord Mayor](#), [Aldermen](#) and [members of the Court of Common Council](#). The Lord Mayor in particular plays an important diplomatic role with his [overseas visits](#) and functions at the historic [Guildhall](#) and [Mansion House](#) for visiting heads of State.

And [the Mayor \(edited highlights\)](#):

The City of London is one of the world's leading international finance centres. As head of the City of London Corporation, which provides business and local government services to the City, the Lord Mayor of London's principal role today is ambassador for all UK-based financial and professional services. The Lord Mayor of London is not the Mayor of (Greater) London.

The Lord Mayor is elected for one year and the position is unpaid and apolitical. It is an exceptionally demanding role. The Lord Mayor spends some 90 days abroad and addresses some 10,000 people face-to-face each month (making around 700 [speeches](#) a year). Read more about the [Lord Mayor's international business role](#), and his [overseas visit programme](#).

The Lord Mayor listens to City businesses and advises the Government of the day on what is needed to help the financial services sector to function well. The Lord Mayor frequently travels to represent the City and is treated overseas as a Cabinet level Minister.

The Lord Mayor supports the work of the City of London Corporation promoting the

financial services industry in the UK. This is a reflection of the importance of this area of business activity for the UK economy.

Note that as Maurice Glasman says, the primary purpose of this council is to promote the UK finance industry.

To do that its Mayor is afforded the rank of a senior cabinet minister - an official of state - although he's not an official of the UK government. He is an official of another government - that of the City, a body dedicated purely to promoting finance.

And note that even the City of London says of its [government on its web site](#):

The City of London is the oldest continuous municipal democracy in the world. It predates Parliament. Its constitution is rooted in the ancient rights and privileges enjoyed by citizens before the Norman Conquest in 1066. The City of London developed a unique form of government which led to the system of parliamentary government at local and national level.

The right of the City to run its own affairs was gradually won as concessions were gained from the Crown.

That's subtle, but very clear. The City runs its own affairs independently of the Crown.

And let's not suffer the pretence that this is a democracy. As the City says of its supposedly apolitical system of government:

Today the Court of Common Council (100 Common Councilmen and 25 Aldermen) governs the City of London Corporation, the oldest continuous municipal democracy in the world. The range of services the City provides its workers, residents and visitors and the national and international work the City is called upon to perform is unique. Common Council accomplishes this work through a committee structure.

The Court of Aldermen consists of 25 Aldermen, one for each ward of the City, elected at least every six years (separately from the Common Councilmen elections, and not all at once). Since 1834 Common Council has been elected by the 25 wards of the City. Elections are held every four years in March when all the seats are up for re-election. Each ward returns between two and ten members depending on the size of the electorate. Candidates must be freemen of the City.

Note that little reference to the fact candidates must be Freemen of the City. [This is what that means](#):

One of the oldest surviving traditional ceremonies still in existence today is the granting of the Freedom of the City of London. It is believed that the first Freedom was presented in 1237. The medieval term 'freeman' meant someone who was not the property of a feudal lord, but enjoyed privileges such as the right to earn money and

own land. Town dwellers who were protected by the charter of their town or city were often free - hence the term 'freedom of the City'.

All freemen receive the book of 'Rules for the Conduct of Life' , written by the Lord Mayor, 1737-8. [Click here to read the Declaration of a Freeman.](#)

The freedom of the City is closely associated with membership of the City livery companies, successors to the ancient guilds. For an insight into the fascinating history and modern role of the Livery, [visit the Livery pages](#).

So this is the one local authority in the country where living in the area does not give you the right to stand for election. Far from it - that is secured by privilege. There's not a hint of democracy about this process. And yet this non-democratic organisation has a Head of State of cabinet rank. And it receives visiting heads of state - it is the Lord Mayor and not the UK government who hosts receptions for visiting Heads of State to the UK at the Guildhall or Mansion House. And this undemocratic state within a state with its own head of state also holds funds for which it is wholly unaccountable to anyone because it is a private entity - not accountable to the Crown, but now used solely to finance the promotion of an industry that has plunged the UK into its worst financial crisis for eighty years. There is at the core of this a question - a profound question - which is who governs? I see this as little short of a 'monastery moment'. I'm not pretending to be a great historian - I only have an A level in the subject, but it seems very clear to me that Henry 8th did not abolish the monasteries for religious reasons, or any dispute about his divorces. He did so to resolve a key question - who governed Britain? Was it the Crown (now represented of course by our democratically accountable parliament) or was it some other force in the land claiming to have allegiance elsewhere, wielding enormous economic power and using it to oppose the right of the Crown to govern as it saw fit (and I'm not saying whether Henry 8th was fit or not - I'm just saying this was a power struggle over the right to rule). Don't we have the same issue now? We have a separate and unaccountable government in the City of London with its own head of state that is using its power to promote an activity harmful to the UK as a whole - and which has imposed enormous cost on us as a country. That power is the City of London and the abuse it promotes is the power of banking which is holding us all to ransom - something it can do from within what is quite literally its own domain, to some degree beyond the limits and reach of the government. In that case isn't this the moment when we have to say that the time for the City to go has arrived - just as the time for the monasteries to go had arrived in 1534 and onwards? Don't we need to say there is room for only one government in this country, and that the government in question must be democratic, accountable and answerable to the people of this country and not vested interest for its actions? Don't we need to say that the assets of the alternative government in this country need to pass to the legitimate authority - our democratically accountable parliament - and that they must administer them henceforth? And isn't it time to say that having a government in office,

unaccountable to the Crown that exists to promote something that has caused such immense harm not only makes no sense at all, but undermines the very fabric of what we as a modern democracy should be? Put simply - do we need a new 'monastery moment' when we bring to an end the power of the City of London, bring its assets to account and abolish for good its right to be a state within a state working in the self interest of a tiny elite at cost to most of us? I think it is. Are you willing to call for this 'Monastery Moment'?