

| Mayor and Cabinet | | | |
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| Report Title | Catford Regeneration Partnership Limited – 2018/19 Business Plan | | |
| Key Decision | Yes | Item No. | |
| Ward | All | | |
| Contributors | SGM Capital Programmes | | |
| Class | Part 1 | Date | 27 June 2018 |

1. SUMMARY

- 1.1 The Catford Regeneration Partnership Limited (CRPL) is a wholly owned company of Lewisham Council. The company was originally created in January 2010 to purchase the leasehold interests in and around the Catford Centre in order to manage and regenerate the property to improve the economic, social and environmental wellbeing of the people of the London Borough of Lewisham.
- 1.2 This report presents the company's 2018/19 Business Plan. The plan continues to set the scene about the need to broaden the business activities to provide a more resilient base, support wider regeneration in Catford and the surrounding area and provide wider investment opportunities for CRPL going forward.

2. PURPOSE OF THE REPORT

- 2.1 To submit the 2018/19 Business Plan for the Catford Regeneration Partnership Limited in accordance with the company's Shareholder Reserved Matters.

3. RECOMMENDATION

Mayor and Cabinet is asked to:

- 3.1 note the contents of the 2018/19 Business Plan for the Catford Regeneration Partnership Limited (CRPL) and that it will now be submitted to the next available meeting of full Council for approval.

4. POLICY CONTEXT AND BACKGROUND

- 4.1 Lewisham's overarching sustainable communities strategy sets out a vision for the future of the borough. One of the priorities laid out in the strategy is to develop, build and grow communities that are *dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond*. This report supports the aims of the strategy.
- 4.2 This report is also in alignment with the Council's corporate policy. Lewisham's Strategic Asset Management Plan sets out the approach to using property effectively in order to achieve the Council's objective of making Lewisham the best place in London to live, work and learn. It suggests a proactive approach for the use of the Council's assets as they have a key role to play in supporting the borough's regeneration aims.
- 4.3 The content of this report also supports the aims of Lewisham's regeneration strategy of 'people, prosperity and place'. This links the Council's corporate priorities to the development and regeneration of Lewisham's communities, the local economy and the built environment.
- 4.4 The CRPL was set up in January 2010 following Council approval. The company was tasked with the following activities:
- To continue the effective management of the Catford Centre, ensuring that the operational management standards remain high and that the full commercial potential of the centre is being realised through letting and renewal strategies.
 - To enable the redevelopment of the Catford Centre by working with Lewisham Council to undertake a regeneration process and reach a commercial agreement with key stakeholders in the town centre, in order to contribute to the regeneration aims for the town centre as a whole.
- 4.5 At the company's inception, the Articles of Association were agreed. These detail how and when the company must interact with its shareholders. In this case it is Lewisham Council, which is the sole shareholder.
- 4.6 Operational responsibility for the company is given to the Lewisham Council nominated company directors.
- 4.7 The company is required to submit a business plan for approval by the Council as shareholder for each financial year, in this case, for 2018/19.

5. SUMMARY CURRENT POSITION AND 2018/19 BUSINESS PLAN

- 5.1 Since the acquisition of the Catford Centre in February 2010, CRPL has been working on operational management issues to ensure that the centre is fit for purpose, meets quality standards, and that rent is collected in a timely manner. The company directors have ensured that all health and safety

standards continue to be complied with and a significant amount of major repair works have been identified and completed.

- 5.2 In line with the plans presented in previous financial years, CRPL has continued to develop an effective and efficient management approach for the operation of the property through a team of professional advisors, including an in house surveyor from the Council's Operational Asset Management team, officers from the Council's Capital Programme Delivery team and external agents that oversee daily management of the property and report to the directors of the CRPL.
- 5.3 Over the course of the last year, money has been spent on repairs and maintenance for some of the properties within the portfolio. This has been a mixture of planned and routine work, but has also included emergency and responsive work deemed necessary to ensure that those properties have remained fully operational. It should be noted that any delay in the commencement, progress and completion of the redevelopment of Catford is likely to have an adverse impact on the CRPL's cash flow position as such unplanned and responsive repairs and maintenance issues will still need to be dealt with as they arise.
- 5.4 During 2014, the CRPL received approval from Mayor & Cabinet to acquire the Brookdale Club Limited's freehold premises in Catford. The acquisition is a significant component of the Council's wider regeneration initiatives to facilitate the regeneration of the Town Centre. The transaction completed in December 2016 and lease arrangements for interim use are currently being progressed prior to its demolition and redevelopment as part of the wider Catford Regeneration Programme.
- 5.5 Overall the company budgeted for a surplus of £30k for the 17/18 financial year and the actual outturn is expected to show a small surplus of £13k. This is due to increased security cost and non-recoverable maintenance.
- 5.6 The delivery of the Company's business plan for 2018/19 requires a further injection of a loan facility from the Council. The loan will enable the company invest in a number of key assets over the coming year to help boost its asset and income base to help counter projected drops in income at the onset of construction. The loan requirement and the associated terms are the subject of a separate report to be considered by Mayor and Cabinet.
- 5.7 CRPL continues to take the best interim commercial view of all property management activity and fully assess actions and risks on the basis of the best information available at that time with regards the timing of the regeneration programme and vacant possession of assets required as a consequence. For the time being all new lettings and renewals that fall within the development scheme are being renewed on the basis of 5 year lease excluded from the Landlord and Tenant Act 1954. A 5 year lease means that the centre remains reasonably attractive to a wider range of retailers and is realistic in terms of the expected timescales for redevelopment.

5.8 As the Catford Regeneration Programme continues to gain momentum during 2018/19, with the development of a Masterplan, it will become necessary for CRPL's shareholder reserved matters to be reviewed to reflect the role the company is likely to play in the regeneration effort. In this case, any suggested amendments will be brought to Full Council for approval.

6. FINANCIAL IMPLICATIONS

6.1 The financial implications are included in the Business Plan 2018/19 which is attached at Appendix 1.

7. LEGAL IMPLICATIONS

7.1 The legal implications are included in the Business Plan 2018/19 which is attached at Appendix 1.

8. EQUALITY IMPLICATIONS

8.1 There are no immediate equalities implications directly arising from this report or the associated business plan which is attached at Appendix 1. Any equality implications for the future regeneration programme will be considered at the appropriate time as Catford undergoes its redevelopment.

Appendices:

Appendix 1 – CRPL 2018 - 19 Business Plan

BACKGROUND PAPERS

| Short title of document | Date | File Location | Contact Officer |
|---|---|----------------------|-----------------|
| Catford Centre Mayor & Cabinet Report | 27 th January 2010 (Council) | Regeneration & Place | Kplom Lotsu |
| Catford Regeneration Partnership Ltd – 2016/17 Business Plan | July 2016 | Regeneration & Place | Kplom Lotsu |
| Catford Regeneration Programme – Update and Housing Zone Mayor & Cabinet Report | 28 th September 2016 | Regeneration & Place | Kplom Lotsu |
| Catford Regeneration Programme – Update Mayor & Cabinet Report | 9 th November 2016 | Regeneration & Place | Kplom Lotsu |

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|--|--------------------------------|----------------------|-------------|
| Catford Regeneration Partnership Ltd – 2017/18 Business Plan (Mayor and Cabinet) | 10 th May 2017 | Regeneration & Place | Kplom Lotsu |
| Catford Regeneration Programme – Masterplan Brief | 28 th February 2018 | Regeneration & Place | Kplom Lotsu |

For further information please contact Kplom Lotsu, SGM Capital Programmes on Ext: 49283