

Mayor and Cabinet			
Report Title	Catford Regeneration Partnership Limited – Appointment of Non-Executive Director		
Key Decision	No	Item No.	
Ward	Rushey Green		
Contributors	Director of Corporate Resources (SGM Capital Programmes)		
Class	Part 1	Date	18 September 2019

1. SUMMARY AND PURPOSE:

- 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 leasehold interests in and around the Catford Centre in order to manage and regenerate the properties to improve the economic, social and environmental wellbeing of the people of the London Borough of Lewisham (LBL).
- 1.2 To date, the day to day activities of the Company has been managed by two Council officers, appointed as Directors of the Company. Following a recent internal audit, and on the recommendation of the Constitution Working Party, it has been agreed to increase the number of Directors of the Company from two to three.
- 1.3 This report recommends the appointment of Cllr Eva Stamirowski as a Non-Executive Member Director to support the activities of CRPL. The appointment will be made using the same Director’s Mandate as with the existing Directors.

2. RECOMMENDATIONS

Mayor and Cabinet is asked to:

- 2.1 approve the appointment of Cllr Eva Stamirowski as Non-Executive Member Director of the Catford Regeneration Partnership Limited (CRPL);
- 2.2 agree that Cllr Eva Stamirowski is indemnified as Director in accordance with the attached Deed of Indemnity as with the two current Directors of the Company.

3. POLICY CONTEXT:

- 3.1 Lewisham’s new Corporate Strategy, 2018-2022, sets out a vision for the future of the borough. The key priorities contained in the strategy are: *open Lewisham; tackling the housing crisis; giving children and young people the best start in life; building an inclusive local economy; delivering and defending; health, social care and support; making Lewisham greener and building safer communities.*

- 3.2 Lewisham's latest Strategic Asset Management Plan (2015-2020) is an opportunity to optimise the use of assets to maintain the quality of service provision while further driving reductions in expenditure and exposure to costs; and to reframe the focus across the borough based on the evolving picture on housing, regeneration and development.
- 3.3 The Regeneration Strategy 'people, prosperity and place', 2008-2020, is also relevant and links the Council's corporate priorities to the development and regeneration of Lewisham's communities, the local economy and the built environment.
- 3.4 It is against this policy background that the proposed appointment of Cllr Stamirowski to the Directorship of CRPL is being made as well as furthering the objectives of CRPL as set out in its Articles of Association and Annual Business Plan.

4. NARRATIVE:

- 4.1 CRPL is a wholly owned company of Lewisham Council. The company was originally created in January 2010 to purchase leasehold interests in and around the Catford Centre in order to manage and regenerate the properties to improve the economic, social and environmental wellbeing of the people of the London Borough of Lewisham.
- 4.2 The Company's Articles of Association appear at Appendix 1. Article 11 states that, unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is one. The appointment of Directors is the responsibility of the London Borough of Lewisham as the sole shareholder. The Company's Articles were drafted in this way to allow Lewisham the maximum flexibility in the appointment to directorships.
- 4.3 Many key decisions in relation to the Company are classified as reserved matters, and must be approved by the Council as sole shareholder. The complete list of shareholder reserved matters are listed in the Articles of Association at paragraph 25. These reserved matters ensure that the Council retains control over the direction of the Company and that the Company operates strictly within the approved business plans.
- 4.4 At its inception, two Directors were appointed, both of them Council officers. Initially one was a senior finance officer and one a senior regeneration officer. However, to avoid any perception of conflict of interest for the regeneration officer, it has become the Council's practice not to appoint a senior regeneration officer. Currently, the Directors are the Director of Public Services and Director of Financial Services.
- 4.5 The primary duty for the Directors when considering company business is to the Company, with a secondary duty being owed to the Council.
- 4.6 In essence, Directors owe a fiduciary duty to act in the best interest of the company. A Director's Mandate (attached as Appendix 2) has also been given to each director including reference to their indemnity, setting out their duties as a Director. The Mandate includes a requirement to respect their position as Council appointee and not to act in contravention of a properly given Council instruction.

- 4.7 In January 2018, the Company was subject to an internal audit for the 2017/2018 financial year. It suggested a number of areas of improvement one of which is a follow through of a request by the Overview and Scrutiny Business Panel relating to the number of Directors of the Company. The audit highlighted that full Council had referred this matter to the Council's Constitution Working Party to consider an increase in the number of Directors of the Company to include a Non-Executive Member.
- 4.8 At its meeting on 20th March 2019, the Constitution Working Party (CWP) considered a report on the number of Directors for CRPL. The CWP agreed amongst others, that the number of Directors of CRPL be increased to three and that the appointment should be a Non-Executive Member of the Council.
- 4.9 On 27th March 2019, Mayor and Cabinet received the recommendations of the CWP. Mayor and Cabinet agreed that an additional non-Executive Director be appointed to CRPL and that the appointment be made using the same Director's Mandate and Indemnity as apply to the existing Directors.
- 4.10 It is now proposed that Cllr Eva Stamirowski is appointed a Director of CRPL to support the activities of the Company. Cllr Stamirowski is a one of three Councillors for the Catford South Ward. She has been a Councillor since May 2006 and is or has been a member of various Committees over the years including Chair of Licencing Committee and Supplementary Licencing Committees.
- 4.11 If the Council agrees to the appointment of Cllr Eva Stamirowski, it is proposed that it should be on the same terms as the two current Directors, Ralph Wilkinson (Director of Public Services) and Selwyn Thompson (Director of Financial Services), and that Cllr Eva Stamirowski be given the same indemnity against personal liability as is currently afforded Ralph Wilkinson and Selwyn Thompson.

5. FINANCIAL IMPLICATIONS

- 5.1 Directors are nominated by the Council and do not receive additional remuneration for undertaking this role.

6. LEGAL IMPLICATIONS

- 6.1 Any decision to change the number of directors must go to the Mayor and Cabinet. There is no constitutional change required. The establishment of the CRPL was initially considered at full Council in 2010 as it entailed a decision to use significant prudential borrowing that was not previously envisaged in the Council's budget. Appointments to CRPL are an executive function, under Part III of the Council's Constitution.
- 6.2 Under the Local Authorities (Indemnities for Members and Officers) Order 2004 (Statutory Instrument 3082) local authorities are empowered to indemnify Members and officers in a wide range of circumstances and any additional appointment would be subject to the existing Director's Mandate and Indemnity.
- 6.3 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability,

gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed in the paragraph above.

The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

- [The essential guide to the public sector equality duty](#)
- [Meeting the equality duty in policy and decision-making](#)
- [Engagement and the equality duty: A guide for public authorities](#)
- [Objectives and the equality duty. A guide for public authorities](#)
- [Equality Information and the Equality Duty: A Guide for Public Authorities](#)

The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what

public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

7. EQUALITY IMPLICATIONS

7.1 There are no immediate equalities implications directly arising from this report.

Appendices:

Appendix 1 – CRPL Articles of Association

Appendix 2 – Director’s Deed of Indemnity (draft)

For further information please contact Kplom Lotsu, SGM Capital Programmes on 02083149283