

# MINUTES OF THE CONSTITUTION WORKING PARTY

Tuesday 20 March 2019

Present: Councillor Bonavia (Chair), Councillor Wise (Vice Chair), Councillor Mallory, Councillor Smith, Councillor Hall

Apologies: Councillor Brown, Councillor Adefiranye

## 1. Declarations of Interest

No interests were declared.

## 2. Minutes

The minutes of the last meeting were agreed.

## 3. Election of Vice Chair

It was decided that this role would be taken on an ad-hoc basis, so Party deferred this item.

## 4. Catford Regeneration Partnership Limited

The Head of Law introduced this item.

The CRPL was set up in 2010 so that the leasehold interest in could eventually be purchased and regenerated. In 2018 there was an internal audit report which highlighted areas for further action. It noted that there were only two directors and suggested that there should be consideration as to whether there should be an increase.

Article 11 states that there is no maximum limit to directors of the Partnership and the minimum number is 1. The company was set up this way on external legal advice in 2010 and both of the directors appointed at the time remain council officers. The current officers are two finance officers. It was noted that paragraph 25 in the report highlights a list of reserve matters- the company can do very little at present, except manage the estate with the implements of the Council.

The options are as follows:

1. Reduce the number of directors- this is not suggested but it is not unusual as it is a small enterprise. Another shareholder meeting will need to be held to fill the vacancy
2. Keep two directors - there is a restraint on the directors as pointed out in the articles so their discretion is significantly curtailed. An advantage is that it is simple and makes co-ordination straight-forward. Legal advice has been, and

remains, that in the event that functions change that an enlargement of the Board will almost certainly be required.

3. Increase the number of directors- this is legally possible and the articles will not need to be amended to reflect this change. It would avoid the procedural difficulties that come with having only 2 directors. Any additional appointments would broaden the skillset of the Board.

The directors that have been appointed, have been appointed with a mandate which is tied to their indemnity with the Council. The Council has power to give indemnities to officers and members in this capacity. It is dependent upon the directors' duties being adhered to and not to act in contravention to Council instruction.

To implement the audit recommendations, the Article will not need to change, it Mayor and Cabinet will be required to appoint another director once it has been referred.

#### RESOLVED:

The following was agreed and recommended:

1. Recommendation to increase number of directors to 3 directors be agreed. This appointment should be that of a non-executive member of the Council;
2. This person shall have training provided on fiduciary duties of the role;
3. That there be a governance review where an expansion of the remit of the CRPL takes place.

The meeting finished at 6.45pm