



Mayor and Cabinet

Catford Regeneration Partnership Limited (CRPL) Appointment of Directors

Date: 3rd November 2021

Key decision: No

Class: Part 1.

Ward(s) affected: Rushey Green/ Catford South

Contributors: Director of Inclusive Regeneration; Director of Law, Governance & Elections; Group Finance Manager; Head of Capital Programmes.

Outline and recommendations

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This report seeks the appointment of two new Directors for the wholly owned Council Company Catford Regeneration Partnership Limited (CRPL) following the retirement / departure of two current Directors.

Recommendation:

Mayor and Cabinet approves the appointment of David Austin and Zahur Khan as company directors to replace Ralph Wilkinson and Selwyn Thompson who have left the Council's employ.

Timeline of engagement and decision-making

- Nomination of two new directors by Exec Director of Corporate Resources – September 2021

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 assets to improve the economic, social and

environmental wellbeing of the people of the London Borough of Lewisham (LBL).

- 1.2. The day to day activities of the Company is managed by three Directors comprising two Council officers and a local Councillor supported by other Council employees. Following the retirement of one Directors in July and the departure of another in October, it has been agreed to appoint two new replacements to manage and oversee the activities of the company.
- 1.3. This report recommends the appointment of David Austin the Council's Director of Finance and Zahur Khan, Director of Public Realm as directors of the company to support the activities of CRPL. The appointment will be made using the same Director's Mandate agreed at the inception of the company.

2. Recommendations

Mayor and Cabinet is asked to:

- 2.1 approve the appointment of David Austin and Zahur Khan as Directors of the Catford Regeneration Partnership Limited (CRPL);
- 2.2 agree that David Austin and Zahur Khan are indemnified as Directors in accordance with the attached Deed of Indemnity agreed at the inception of the Company.

3. Policy Context

- 3.1 The Council's Local Development Framework sets the vision, objectives, strategy and policies that will guide development and regeneration in the borough to 2025 and together with the Mayor of London's 'London Plan', forms the statutory development plan for the Borough. It anticipates major change and includes a focus on Catford Town Centre as a major development opportunity. The London Plan reinforces this view by identifying Catford as having potential for significant urban renewal.
- 3.2 The content of this report is consistent with the Council's policy framework, namely the Corporate Strategy 2018-2022:

Meeting the Council's Resources and Regeneration Strategy in which the Council commits to the following key objectives:
 - Planning (guiding the future development and use of land across the borough.
 - Regeneration and Place (shaping the physical transformation of the borough.
 - Strategy (including economy and partnerships, and communication).
- 3.3 The Local Authority has a duty to ensure the long-term growth of its town centres is planned and managed, to ensure that viable and vital functions of its town centres are integrated as part of a sustainable development strategy.
- 3.4 CRPL's core objectives accords with the above. It is against this policy background that the proposed appointment of David Austin and Zahur Khan to

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the directorship of CRPL is being made as well as furthering the objectives of CRPL as set out in its Articles of Association and recently agreed Annual Business Plan.

4. Background and 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. The appointment of Directors is the responsibility of the London Borough of Lewisham as the sole shareholder.
- 4.3. The primary duty for the Directors when considering company business is to the Company, with a secondary duty being owed to the Council.
- 4.4. In essence, Directors owe a fiduciary duty to act in the best interest of the company. A Director's Mandate (attached as Appendix 2) is also 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.
- 4.5. 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 its approved business plan.
- 4.6. 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. In 2019, following an audit recommendation, a local Ward Councillor was appointed as director increasing the number of directors to three.
- 4.7. The most recent directorships were Ralph Wilkinson, Director of Public Services; Selwyn Thompson, Director of Financial Services and Cllr Eva Stamirowski, Councillor for Catford South.
- 4.8. The three directors, together, have been actively managing the affairs of the company over the past two years. In July 2021, one of the Directors - Ralph Wilkinson – retired from the Council's employ as Director of Public Services effectively and simultaneously resigning his post as Director of CRPL. More recently in October, Selwyn Thompson also resigned from the Council's employ as Director of Financial Services leaving Cllr Eva Stamirowski as a sole director of the company.
- 4.9. To ensure effective management and governance of the affairs of the company, it is proposed that David Austin – Director of Finance and Zahur Khan – Director of Public Realm are appointed to replace Ralph Wilkinson and Selwyn Thompson as directors of CRPL.

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4.9.1. David Austin, Director of Finance (deputy section 151) for the London Borough of Lewisham.

David is a member of the Corporate Resources management team responsible for the financial services of the Council. This covers strategic financial and commercial planning, core and management accounting, and payroll & pensions services. David is also one of the appointed officer Directors on the Council's joint venture - Besson Street LLP - and is proposed as a Director for the Council's wholly owned company - Catford Regeneration Partnership Ltd. David is a qualified CIPFA accountant with a background in governance, risk and assurance services with PricewaterhouseCoopers to 2011 and then as a public services manager in Lewisham.

4.9.2. Zahur Khan, Director of Public for the London Borough of Lewisham.

Zahur is a member of the Housing, Regeneration and Public Realm management team, and is responsible for the services delivered by the Public Realm division. This covers highways, strategic transport, environmental health, parking, street cleansing and waste collections services. Zahur is proposed as a Director for the Council's wholly owned company - Catford Regeneration Partnership Ltd. Zahur is a qualified civil engineer with a background in delivering public realm services throughout his career in authorities such as Hackney, Camden, Islington, Nottingham City and the City of London.

4.10. If the Council agrees to the appointment of Zahur Khan and David Austin, it is proposed that it should be on the same terms as former and current directors and that they are both given the same indemnity against personal liability as is currently afforded Cllr Eva Stamirowski.

4.11. The proposed appointments acknowledge the current status of the wider Catford Town Centre Regeneration Framework plan recently agreed by Mayor and Cabinet and its implications for the operations of the company. As a result of this, further changes are likely in the nature and form of CRPL's operations in the medium term as the delivery structure for the framework begins to take shape. Any proposed changes together with their effect and implications for CRPL will be reported to M&C in the usual way.

5. Financial Implications:

5.1. Directors are nominated by the Council and do not receive additional remuneration for undertaking this role. There is therefore no direct financial implications resulting from these appointments.

6. Legal Implications:

6.1. Appointments to CRPL are an executive function, under Part III of the Council's Constitution and must therefore go to Mayor and Cabinet for approval. There is no constitutional change required.

6.2. Under the Local Authorities (Indemnities for Members and Officers) Order 2004 (Statutory Instrument 3082) local authorities are empowered to indemnify

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Members and officers in a wide range of circumstances and any additional appointment would be subject to the existing Director's Mandate and Indemnity.

7. Equalities implications

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

8. Climate change and environmental implications:

8.1. There are no immediate climate change and environmental implications directly arising from this report.

9. Crime and disorder implications

9.1. None specific to this report.

10. Health and wellbeing implications

10.1. None specific to this report.

11. Background papers

11.1. None

12. Report author and contact

12.1. Kplom Lotsu – Head of Capital Programmes
020 8314 9283 – kplom.lotsu@lewisham.gov.uk

13. Comments for and on behalf of the Executive Director for Corporate Resources

13.1. Peter Allery – Group Finance Manager
0208 314 7778 – peter.allery@lewisham.gov.uk

14. Comments for and on behalf of the Director of Law, Governance and HR

14.1. Katherine Kazantzis – Principal Lawyer
0208 314 7937 – katherine.kazantzis@lewisham.gov.uk

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