

**Report for: Cabinet**

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<b>Date of Meeting:</b>	11 November 2020
<b>Subject:</b>	Harrow Strategic Development Partnership – Appointment of Directors
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Paul Walker – Corporate Director: Community
<b>Portfolio Holder:</b>	Graham Henson - Leader of the Council and Portfolio Holder for Strategy, Partnerships, Devolution & Customer Service
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Draft IP Job Role and Person Specification

## **Section 1 – Summary and Recommendations**

This report sets out the proposed governance of the Harrow Strategic Development Partnership (HSDP) and the nomination of three appointments to the board of directors when the delivery vehicle is incorporated.

### **Recommendations:**

Cabinet is requested to:

1. Note the intended governance structure for the HSDP; and
2. Recommend to full Council that
  - a. Two Councillors be nominated for appointment by the HSDP; and
  - b. Authority be delegated to the Chief Officer Employment Panel (COEP) to employ an independent director to be appointed to the HSDP board on terms the Panel considers appropriate.

**Reason (for recommendations):** To enable the formation of a shadow board for the HSDP pending the formal establishment of a limited liability partnership.

## **Section 2 – Report**

### **Introductory paragraph**

Cabinet will recall that, following its decision on 10 September 2020, the Council is now working through the preferred bidder stage of the HSDP procurement process, with Wates Residential Limited having been named Preferred Bidder.

For the reasons given in both that and previous HSDP reports, it is intended that a limited liability partnership (LLP) will be the vehicle through which the HSDP objectives are delivered. The decision to incorporate the vehicle and formally enter a contract with Wates Residential will be considered by Cabinet at the end of the Preferred Bidder process, which is anticipated to be February 2021.

In order to ensure the partnership can be effective immediately it is established, both Harrow and Wates agree it would be helpful to set up a shadow board as soon as possible.

The intended corporate structure of the LLP is for the Council and Wates to nominate three directors each, giving the board a total of six directors. It is proposed that Harrow's nominees are 2 Councillors and an independent person, recruited because of their industry experience and expertise. The members' agreement will set out that the Council's directors and Wates' directors will exercise one collective vote.

If Harrow and Wates Limited make the nominations as planned, it is intended that the nominees form an informal shadow board in the New Year to start to identify and consider the decisions they will need to take at the immediate operational commencement of the HSDP; and familiarise themselves with the intended governance procedures of the LLP, when incorporated.

It is also intended that the nominated Councillors will receive training appropriate to their future roles as LLP directors.

It is proposed that the independent director be appointed broadly in accordance with the suggested job role and person specification appended to this report, though the final terms of appointment will be a matter for the COEP.

## **Options considered**

1. Do nothing – The Council can choose not to establish a shadow board and wait until contract close in 2021 before commencing the nomination process. This is not advised as it risks negatively impacting the operational efficiency of the HSDP and delaying delivery of regeneration projects.
2. Recommend that full Council nominate two councillors to the HSDP board and delegate to the Chief Officer Employment Panel (COEP) authority to employ an independent director as the third Council director. This is the recommended option for the reasons set out in this report.

## **Risk Management Implications**

If the Council establishes the shadow board as recommended but does not proceed to complete the agreement with Wates Limited, its only liability will be to the independent director, once appointed.

## **Legal Implications**

Section 3 para 1(u) of Harrow's Constitution provides that full Council makes appointments of Members to outside bodies.

The Chief Officers' Employment Panel normally appoints Chief Officers and recommends appointment of the Head of Paid Service. The proposed independent director will not be a chief officer, or indeed an employee, but given their role in this new venture, and the cross-party make-up of the Panel, it is recommended that the COEP be delegated to make the selection.

## **Financial Implications**

Any fees payable to both the Council nominated and Wates nominated directors will be costs met by the LLP. The Councils share will be deducted from returns to the Council from the LLP.

## **Council Priorities**

The decision takes the Council to the next stage of establishing the Harrow Strategic Development Partnership, which is being set up to develop the Council's prime sites and to deliver the Council's regeneration objectives. This contributes to the Council's strategic objectives in the following respects:

### **Building a Better Harrow**

- Create a thriving modern, inclusive and vibrant Harrow that people can be proud to call home
- Increase the supply of genuinely affordable and quality housing for Harrow residents
- Ensure every Harrow child has a school place

### **Supporting Those Most in Need**

- Reduce levels of homelessness in the borough
- Empower residents to maintain their well-being and independence

### **Protecting Vital Public Services**

- A strong and resourceful community sector, able to come together to deal with local issues

### **Delivering a Strong local Economy for All**

- A strong, vibrant local economy where local businesses and thrive and grow
- Harrow is a place where people and businesses invest

### **Modernising Harrow Council**

- Reduce the borough's carbon footprint
- Use technology and innovation to modernise how the Council works

## **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Dawn Calvert**

Signed by the Chief Financial Officer

**Date: 02/11/2020**

**Statutory Officer: Hugh Peart**

Signed by the Monitoring Officer

**Date: 02/11/2020**

## **Section 4 - Contact Details and Background Papers**

**Contact:** Julian Wain, Interim Director of Regeneration,  
[julian.wain@harrow.gov.uk](mailto:julian.wain@harrow.gov.uk)

**Background Papers:**

[Cabinet Report of 10 September 2020](#)

[Cabinet Report of June 2019](#)

[Cabinet Report of May 2019](#)

**Call-in waived by the Chair of Overview and Scrutiny Committee**

NOT APPLICABLE