Regenco

Regenco is the working name for the DPPT Regeneration Vehicle established as a wholly owned subsidiary of the Dover People's Port Trust with a commencement capital of GB£50million.

The key aspect of Regenco is the empowerment of the stakeholders in the running of the Port and the Regeneration Fund.

The objective is that the port users, community and the Port establish a new partnership and work in harmony for the improvement of port operations, investment in infrastructure, seafront and town rejuvenation. In this way, the port will be run in the community and national interest and deliver more jobs and money for a community that has been beset by deprivation for too long. The stakeholders are empowered through representation on the Boards of both the Trust and PortCo, which will be reinforced through binding agreements.

Governance Structure of RegenCo

It is recommended that:

DPPT directly holds 100% of the equity of RegenCo as the representative of the local community.

The structure of the RegenCo Board is designed to ensure that an appropriate balance is achieved between the need to run the company in a commercial, appropriately entrepreneurial and cost effective manner and the need to ensure that it can fulfil its potential as a facilitator of regeneration in Dover.

Membership of the Board should consist of:

Up to three Executive Directors, of which one will be the Fund Manager/Chief Executive. Not less than three independent Non-Executive Directors, appointed by the DPPT Board on the recommendation of the RegenCo Board. An independent Non-Executive Chairman.

Non-Executive Directors will:

Be appointed for an initial period of three years, and thereafter usually for a term not exceeding ,say, six or nine years Be appointed on a sequential basis so that at least a proportion of the total Board is reappointed every yearHave suitable experience and background as Non-Executive DirectorsBenefit from knowledge in areas relevant to the Board, namely property, finance, and managementBe independent of each major local Stakeholder.

Interrelationship between PortCo and RegenCo

Structurally, it is recommended that PortCo and RegenCo are both wholly-owned subsidiaries of DPPT, i.e. are sister companies rather than one being the parent of the other. This facilitates the following:

The requisite financial ring-fencing between the two companies to satisfy PortCo funders that RegenCo performance cannot adversely impact PortCo

For governance purposes the DPPT Board has direct control of both companies and can be the ultimate arbitrator over any disagreements between PortCo and RegenCo on issues of common interest.

It is recommended that PortCo and RegenCo have different (and independent) Boards of Directors and that business between the two companies is conducted on arms-length terms. For most of their activities, the two companies will have a very different focus (PortCo running port operations and RegenCo focussed solely on regeneration). The Boards and executive management will therefore require very different skill-sets. However, it is suggested that, initially at least, one person is the independent Chairman of both companies. This is believed essential to facilitate sensible co-operation between the two companies on the key waterfront development where both companies will inevitably need to work closely in tandem.

It is recommended that on completion of the transaction whereby DPPT acquires the business of DHB, the non-core operating property assets of PortCo are transferred to RegenCo. It is suggested that this probably will not include those buildings within the security zone of the Eastern Docks but would include all the DHB properties on/around Marine Parade, possibly Lord Warden House and any land holdings outside of the Docks. Consideration could be given to PortCo's management at some juncture transferring into office space within the security zone freeing up the prime-positioned Harbour House on Marine Parade.