

SUTTON SHAREHOLDINGS BOARD

4 January 2017 at 6.30 pm

MEMBERS: Councillor Simon Wales (Chair), Councillor Jayne McCoy (Vice-Chair) and Councillors Neil Garratt, Sunita Gordon and Daniel Sangster

19. APOLOGIES FOR ABSENCE

There were no apologies for absence.

20. DECLARATIONS OF INTEREST

There were no declarations of interest.

21. ANY ITEMS THE CHAIR DEEMS URGENT

There were no items the chair deemed urgent.

22. MINUTES

The minutes of the meeting held on 8 November 2016 were approved as a correct record and signed by the Chair.

23. APPOINTMENT OF OPPORTUNITY SUTTON LTD COMPANY DIRECTOR

The Strategic Director Environment, Housing and Regeneration introduced the report which sought approval of an appointment to the Opportunity Sutton Limited Board.

Resolved

That the appointment of Ade Adebayo as a Director of Opportunity Sutton Limited be approved.

24. SUTTON LIVING PERFORMANCE UPDATE

The Sutton Living Director presented the report which gave an update on Sutton Living performance since the last meeting. Members requested clarity on when the acquisition of Lodge Place would happen, Officers confirmed it was anticipated to be by the end of the current quarter.

Resolved

That the proposed amendments, summarised in Appendix 1 of the attached report from Sutton Living Ltd be noted and approved.

25. SUTTON LIVING LIMITED - BUSINESS PLAN UPDATE

The Interim Managing Director, Sutton Living presented the report which sought approval of changes to some assumptions within the Sutton Living Business Plan. Members asked questions about the affordability of rents and how aspirations of the company would be met in light of the Mayor of London's affordability measures. The Sutton Living Director advised that a further report would be brought to the March meetings on whether the company would seek to register as a provider in order to draw down on grant funding from GLA.

In addition members asked how the Company will approach managing a portfolio of sites and overall viability. Officers advised that it was important that each scheme was viable in

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it's own right and a guiding principle would be achieving commercial returns for the Company.

Members also highlighted that the financial performance records set out were intended to be used to monitor performance , not with the intention of projects having to meet all targets.

Resolved

That the proposed amendments to the Sutton Living Business Plan, summarised in Appendix A of the report, be noted and approved

**26. SUTTON DECENTRALISED ENERGY NETWORK (SDEN)
PERFORMANCE UPDATE**

The SDEN Director introduced the report which gave an update on SDEN performance since the last meeting. Officers highlighted that progress was on track for Viridor agreement by the end of January. Members asked questions about a final review of the business case. Officers confirmed that KPMG had been commissioned to carry out this review. In response to further questions Officers confirmed that it was anticipated that the financial deal would allow improved figures to those in the original business case considered by Housing, Economy and Business Committee, in terms of both returns to the company and pricing for customers.

Resolved

1. That the performance update contained in the Sutton Decentralised Energy Network Performance Report, Appendix A to the report, be noted
2. That the un-amended Sutton Decentralised Energy Network Risk Register from the previous committee as set out at Appendix B (exempt) to the report be noted.

27. ENCOMPASS DIGITAL INNOVATION SERVICES

The Head of Business Development (Encompass) introduced the report which sought approval to start the commercial delivery of Digital Innovation packages designed and developed by Encompass LATC Ltd. Members questioned what the impact of providing this commercial element would be on the core service provided Sutton clients. Officers explained this was facilitated by project approach of the team the current level of work would not impact on clients. More resource would be taken on if scale of projects in terms of digital innovation increased.

Resolved

That the commercial delivery of the Digital Innovation Packages designed and developed by Encompass LATC Ltd to other organisations be approved

**28. SUTTON EDUCATION SERVICES LIMITED - LAUNCH UPDATE &
RESOLUTIONS AGREEMENT**

The Head of Strategic Business presented the report.

Members commented on the numbering of the Article of Associations, Officers confirmed there was an error which would be corrected and that all the relevant information was included in the appendix.

Members questioned why savings in 'back-office' costs might not be achievable. Officers explained this was affected by assumptions made regarding central support costs from the Council and that how these costs were applied was more of an issue for Standing

Committees. In response Members requested that reports brought to the committee focus more on the operation of the respective company.

Members highlighted that the role of the company was to provide services, previously the responsibility of the Council, in a different way and sought clarification on what would happen if the company was not viable. Officers advised that the company expected to break even by year two. The company provided both discretionary and statutory education services. The majority of income would come from central and local authority funding for educational services and it was expected that the deficit would be addressed by delivering more traded services by year two.

It was requested that the final Articles, along with memorandum of understanding and and shareholder agreement be circulated to members of the committee.

As details of the Director appointments had not been circulated to members in advance of the meeting recommendation 2.1 was amended to delegate their appointment to the Council's Authorised Officer in consultation with the relevant lead members.

Resolved

1. That the Sutton Education Services Ltd Articles of Association as set out at Appendix B to the report be approved.
2. That authority be delegated to the Council's Authorised Officer (Kieran Holliday) to appoint the Directors that have been selected and recommended to date in consultation with the Chairs of Sutton Shareholdings Board and Children, Families and Education Committee.
3. That authority be delegated to the Council's Authorised Officer (Kieran Holliday) to appoint the Chair on the timeline set out above (in consultation with the Chairs of the Sutton Shareholdings Board and Children, Families and Education Committee).

The meeting ended at 7.27 pm

Chair:

Date: