

## SUTTON SHAREHOLDINGS BOARD

14 June 2017 at 6.30 pm

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

**ABSENT** Councillor(s) Neil Garratt

### 1. APOLOGIES FOR ABSENCE

There were apologies for absence from Councillor Neil Garratt.

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 3. ANY ITEMS THE CHAIR DEEMS URGENT

The chair accepted a late and urgent item, Appointment of Director to Sutton Decentralised Energy Network Limited, for the reasons set out in the report.

### 4. MINUTES

The minutes of the meeting held on 8 March 2017 were approved as a correct record and signed by the Chair. Members asked about pension contributions and were advised that all employees currently in LGPS would transfer with the pension continuing, this was generally closed to new entries, but companies, as admitted bodies could offer this if they wished and that they deemed it to be affordable.

### 5. APPOINTMENT OF THE EXTERNAL AUDITORS

The Strategic Director of Environment, Housing and Regeneration presented the report which sought approval to extend the appointment of the external auditors, Turpin Barker Armstrong (TBA), for Opportunity Sutton Limited (OSL), including the two subsidiary companies Sutton Living Limited (SLL) and Sutton Decentralised Energy Network (SDEN), and Encompass - a Local Authority Trading Company (LATC).

#### **Resolved**

That Turpin Barker Armstrong (TBA)'s appointment to provide Audit and Corporation Tax Services including to prepare the accounts for each company be extended to include the accounting period 2017/18.

### 6. SDEN PERFORMANCE UPDATE

The Director (SDEN) introduced the report which updated the Sutton Decentralised Energy Network Performance Report and outlined that basic agreements were in the process of being signed and that a further £70,000 was required to capital and cost projections due to the complexities of the legal agreements.

Members questioned the additional costs and requested a breakdown. Officers advised that these were primarily around legal costs due to the complexity of the agreements but that a detailed breakdown would be provided to members outside of the meeting. Some of the work was being carried out by external legal advisers due to the specialist nature of the work. The cost would be absorbed by the company itself once it commences trading.

Members asked questions about the SDEN financial model which was recently independently reviewed by KPMG who raised no material issues. Officers advised that a summary of the findings would be circulated to members as this was not currently available. In addition members asked for a copy of the brochure which would be sent to residents.

**Resolved**

That the performance update contained in the Sutton Decentralised Energy Network Performance Report, as set out in Appendix A, be noted.

**7. SUTTON LIVING PERFORMANCE UPDATE**

The Interim Managing Director presented the report which updated the committee on Sutton Living Performance.

Members asked questions in relation to the interest rate and whether it was accurate to say it was required to be realistic or relative to the market. Officers advised a key consideration was that state aid requirements were not breached. Research was currently being conducted as to the level other London Councils, with similar development companies, were setting.

**Resolved**

That the performance update set out in section 3 of the report, along with actions proposed to deliver projects by the Company, be noted.

**8. APPOINTMENT OF DIRECTORS OF ENCOMPASS LATC LTD**

The Director (Encompass) introduced the report which set out the process followed in recruiting the services of two Non Executive company directors for Board of Encompass LATC Ltd and sought approval from Sutton Shareholdings Board of the appointment of those directors to the Board. Members asked about the length of term and officers advised that it was good practice from a governance perspective to rotate members. Any extension of a 3 year term would depend on satisfactory performance. Members also asked whether the level of remuneration should be considered as a recommendation, which was subsequently added.

**Resolved**

1. That the appointment of two Independent Non Executive Directors, Fiona Kemp and Roger Mills, be approved for a period of three-years to Encompass LATC Ltd.
2. That the appointment of Lorraine Thomas, as Executive Director of Encompass LATC Ltd, be approved.
3. That the remuneration level of the non executive director positions of £4,200 per annum be agreed.

**9. APPOINTMENT DIRECTOR TO SUTTON DECENTRALISED ENERGY NETWORK LIMITED**

The Director (SDEN) introduced the report which sought approval of the appointment of a new Director and the appointment of an existing director into the post of Managing Director of Sutton Decentralised Energy Network Limited (SDEN).

**Resolved**

1. That the appointment of Christopher Rhodes as Director of Sutton Decentralised Energy Network Limited be approved.
2. That the appointment of Amanda Cherrington as Managing Director of Sutton Decentralised Energy Network Limited, be approved.

The meeting ended at 7.11 pm

Chair: .....

Date: .....