

## STRATEGY AND RESOURCES COMMITTEE

29 October 2018 at 7.30 pm

**MEMBERS:** Councillor Ruth Dombey (Chair), and Councillors Manuel Abellan, Jean Crossby, Sunita Gordon, Amy Haldane, Marlene Heron, Steve Penneck, Tim Crowley, Holly Ramsey, Jed Dwight, Tom Drummond and Tim Foster

**ABSENT** Councillor(s) Jayne McCoy, Marian James and David Hicks

### 18. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Marian James, Jayne McCoy and David Hicks. Councillors Chris Williams and Jane Pascoe attended as substitute members.

### 19. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 20. ANY ITEMS THE CHAIR DEEMS URGENT

There were no urgent items.

### 21. MINUTES

The minutes of the meeting held on 16 July 2018 were agreed as a correct record and signed by the Chair.

### 22. PERFORMANCE AND FINANCE REPORT (Q2)

The Assistant Director - Customers, Commissioning and Governance and Assistant Director, Shared Finance Service for Sutton and Kingston introduced the report. The Chair invited the Strategic Director of Resources to give an overview of recent government regulations which would lift the cap on borrowing against the Housing Revenue Account.

Members queried the costs associated with the impact of unlawful encampments and the costs of the single flytip removal. The Strategic Director of Environment, Housing and Regeneration responded that flytip costs are not usually recorded but this was reported to members due to the unusually high cost of the removal.

### Resolved

1. That it be noted the new Corporate Balanced Scorecard is currently being designed and built and will be ready for the end of year Strategy & Resources Committee.
2. That the recommended measures of success in the Outcomes Based Commissioning Plan 18/19 (Appendix A) be agreed.
3. That the projected revenue outturn position be noted
4. That the projected capital position be noted.

5. That the one off use of reserves to fund £400k of support of the Outcome Based Commissioning Review Programme as per paragraph 3.6 be agreed.
6. That for 2018/19 only use of reserves to fund part-time business support to Opposition Group Leadership, which has been costed at £25k in a full year be agreed.
7. That the capital programme adjustments shown under Appendix B be agreed.

## **23. REVISION TO CIL REGULATION 123 LIST AND GUIDANCE**

The Head of Development Management and Strategic Planning introduced the report. Members discussed the impact of conversion of office to residential when there is no new floor space created and were advised that those types of development would not result in CIL charges to the developer; how CIL money was recovered and what information could be made available to demonstrate how CIL money was spent.

### **Resolved**

1. That the council continues with its current CIL Charging Schedule (index-linked) rather than produce a new Charging Schedule.
2. That the CIL Charging Schedule be reviewed with the Local Plan, due in 2023.
3. That public consultation on a draft revised Regulation 123 List (see Appendix B) be agreed.
4. That the Regulation 123 List be reviewed on a regular basis to ensure it remains aligned with the council's wider priorities.
5. That it be agreed to allocate 15% of CIL receipts to the neighbourhood portion where that CIL is generated by new development, except in areas with an adopted neighbourhood plan where the allocation will be 25% of CIL receipts.
6. That the Strategic Director of Environment, Housing and Regeneration be tasked in consultation with the Strategic Director of Resources and the Chair of the Housing, Economy and Business Committee and Lead Member for Finance to (a) review and consider the governance arrangements for allocating and spending the neighbourhood portion of CIL receipts; and (b) report back to the Strategy and Resources Committee with a preferred option.

## **24. ANNUAL AUDIT LETTER**

The Strategic Director of Resources introduced the report

### **Resolved**

That the external auditor's unqualified opinion on the Council's financial statements for the 2017/18 year and the auditor's conclusion that the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources be noted.

## **25. CONSTITUTIONAL UPDATE REPORT**

The Assistant Director - Customers, Commissioning and Governance introduced the report.

### **Resolved**

Governance Arrangements

1. Recommend the Sutton Shareholdings Board's amended terms of reference to Council as a constitutional amendment detailed in Appendix A.
2. Recommend to Council that authority be delegated to the Monitoring Officer to make any consequential amendments to the Council's Constitution arising from these recommendations.

Committee Substitutes: Sutton Independent Residents

3. Recommend to Council that the number of substitutes for committees for the Sutton Independent Residents is increased to two.

**26. PORTAGE SPIN OUT**

The Chair advised that this item had postponed until the next meeting.

**27. ANNUAL REPORT INVESTMENT PROPERTY PORTFOLIO**

Assistant Director, Asset Planning, Management and Capital Delivery introduced the report. Members discussed delivery of the Grove, Officers advised that a report would be brought back to the committee in February next year to discuss options in relation to the Grove. In addition members questioned any potential impact of Oxfam moving their headquarter offices, on rental income.

**Resolved**

1. That the good progress that has been made in implementing the corporate asset management strategy 2015 - 2019 be noted.
2. That the strong performance of the Investment Property Portfolio be noted.
3. That the strategic aims and priorities of the Investment Property Portfolio are amended as set out in paragraph 4.60 of this report be agreed.
4. That the revised Policy for Governance and Portfolio Management (October 2018) as attached at Appendix D be agreed.

**28. LETTING OF THE CHARLES CRYER CENTRE**

The Head of Asset Management introduced the report.

Members asked questions about due diligence and status of Cryer Art, Officers advised that due diligence had been conducted and Officers were satisfied that Cryer Arts were the best option following review of financial position and proposed business plan.

**Resolved**

1. That the grant of a 25 year lease to Cryer Arts for the Charles Cryer Centre as shown edged red on the plan at Appendix B, at a rent set out in the exempt Appendix A, with terms otherwise as negotiated by the Assistant Director (Asset Planning, Management and Capital Delivery) be agreed
2. That it be agreed in the event of a transaction with Cryer Arts not being achievable within a reasonable time, to agree the grant of a 25 year lease to the underbidders Nickel Support Limited or Carshalton Baptist Church, with first consideration given to Nickel Support at a rent as set out in the exempt Appendix A, with terms otherwise as negotiated by the Assistant Director (Asset Planning, Management and Capital Delivery);

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3. That it be agreed in the event of a letting to an underbidder, consent is given to a letting at less than the best consideration reasonably obtainable, as further described in this report; and
4. That the Council's solicitors be instructed to complete all necessary documentation

The meeting ended at 8.31 pm

Chair: .....

Date: .....