

SUTTON SHAREHOLDINGS BOARD**20 September 2017 at 6.30 pm**

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

ABSENT Councillor(s) Sunita Gordon and Daniel Sangster

10. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Sunita Gordon.

11. DECLARATIONS OF INTEREST

No declarations of interest were made.

12. ANY ITEMS THE CHAIR DEEMS URGENT

No urgent items were raised.

13. MINUTES

RESOLVED: The minutes of the meeting held on 14 June 2017 were approved as a correct record and signed by the Chair.

14. SUTTON LIVING - PERFORMANCE REVIEW

Mike Kirk, Interim Managing Director - Sutton Living, presented the report, accompanied by Simon Latham, Company Director.

Members questioned the costs of the projects and whether market inflation was having an impact. The Managing Director said these were being monitored and updated information, as well as specialist advice, was received on an ongoing basis from cost consultants. Further discussion focussed on the number of units provided under different scheme sizes, the local plan and community engagement.

In response to a Member question, it was confirmed that pre-application advice to the company was charged according to Planning Department policy.

RESOLVED: that the performance update set out in Sections 3 and 4 of the report and actions proposed to delivery projects by the Company be noted.

15. BUSINESS CASE AND APPROVAL OF WALLINGTON PUBLIC HALL

Mike Kirk, Interim Managing Director - Sutton Living, presented the report, accompanied by Simon Latham, Company Director.

Following the Managing Director's presentation, Members questioned whether s.106 obligations had been considered and it was confirmed provision had been made. Members also discussed the issue of rent and the local housing allowance with the Directors and how this was cross-referenced.

Further discussion ensued as to design considerations, the market rental price, and service provision.

RESOLVED: that the business case made for the acquisition and development of Wallington Public Hall, as set out in section 4 of the report, be noted and the project be approved to be developed by Sutton Living Limited.

16. SDEN PERFORMANCE REVIEW

Mandy Cherrington, Managing Director - Sutton Decentralised Energy Network Limited, presented the report accompanied by Simon Woodward, Company Director.

Following the presentation, Members discussed options relating to recommendation 3 concerning the capital works and 'Phase 2 sites' under the business plan. It was confirmed further sites were under consideration. Members also explored the next steps in the project.

RESOLVED: that

1. The performance updated contained in the Sutton Decentralised Energy Network performance report in Appendix A be noted.
2. The amendments to the Sutton Decentralised Energy Network Risk Register in Appendix B be noted.
3. It be agreed that Opportunity Sutton Limited approve as parent company that SDEN carries out capital works up to £200k, to enable a future connection to the development north of Hackbridge Station.

17. SUTTON DECENTRALISED ENERGY NETWORK OPERATIONAL POLICIES REVIEW

Mandy Cherrington, Managing Director - Sutton Decentralised Energy Network Limited, presented the report accompanied by Simon Woodward, Company Director.

RESOLVED: that

1. The SDEN pricing policy, as set out in Appendix A, be noted.

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2. The SDEN debt recovery policy, as set out in Appendix A, be noted.
3. The SDEN connection charge policy, as set out in Appendix A, be noted.
4. The SDEN disaster recovery plan, as set out in Appendix A, be noted.

18. SUTTON EDUCATION SERVICES

Tracey Burley, Managing Director - Sutton Education Services Ltd, presented the report.

Following the presentation, Members discussed the establishment of the company and the required corporate governance processes. The Managing Director emphasised that there had been no loss or harm to the schools, that they are a valued part of the company and corporate governance processes are taken seriously. It was confirmed that meetings would be held with each school concerned.

Members further enquired as to the status of the 'B Shareholders' and 'B Directors.' The Managing Director responded that the status of the B Directors was under legal consideration and that the Shareholder status would be valid upon a signed shareholder agreement and the completion of the processes for allotting and issuing shares.

It was requested that Members be kept informed on decision-making in between the committee cycle.

The rationale behind the change of registered office was also explored. The Chair agreed to speak with facilities management with regards to any delay in post between the Council.

Further discussion took place in exempt session, as agreed by Members, due to the commercially sensitive nature.

In open session, and upon the recommendation of the legal advisor present (Fabiola Hickson), recommendation 3 was amended to: "authorise the company to increase the allocation of shares up to an aggregate nominal value of £1000 as stated in Paragraph 3.15" which is repeated below for reference:

The Directors shall be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot (or grant rights to subscribe for or to convert any security into) shares up to an aggregate nominal amount of £1000 in the share capital of the Company during the period from the date of adoption of the Articles until the fifth anniversary of that date unless the authority is varied or revoked or renewed by the Company in general meeting, provided that this authority shall entitle the Directors to make at any time before the expiry of

this authority an offer or agreement which will or may require relevant securities to be allotted after the expiry of the authority.

The legal advisor explained that it was not necessary to amend the Articles of Association, as the required action could be authorised by an ordinary resolution of the shareholders.

RESOLVED: that

1. The challenges faced by the Company be noted.
2. The rationale for the change in business name and registered address be noted.
3. The company be authorised to increase the allocation of shares up to a nominal value of £1000 as stated in Paragraph 3.15.
4. The confirmation of the Board of Directors be noted.

The meeting ended at 8.39 pm

Chair:

Date: