



<b>Report to:</b>	Sutton Shareholdings Board	<b>Date:</b>	6 December 2017
<b>Report title:</b>	Sutton Living Performance Update		
<b>Report from:</b>	Mary Morrissey, Strategic Director, Environment, Housing and Regeneration		
<b>Ward/Areas affected:</b>	Borough wide		
<b>Chair of Committee/Lead Member:</b>	Councillor Simon Wales, Chair of Sutton Shareholdings Board and Councillor Jayne McCoy, Chair of Housing, Economy and Business Committee		
<b>Author(s)/Contact Number(s):</b>	Mike Kirk, Interim Managing Director, 020 8770 6653		
<b>Corporate Plan Priorities:</b>	<ul style="list-style-type: none"> <li>● An Open Council</li> <li>● A Green Council</li> <li>● A Fair Council</li> <li>● A Smart Council</li> </ul>		
<b>Open/Exempt:</b>	Open with the exception of Appendix A (Risk Register) which is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.		
<b>Signed:</b>		<b>Date:</b>	22 November 2017

## 1. Summary

- 1.1 This report presents for comment the performance update for Sutton Living Limited.

## 2. Recommendations

The Sutton Shareholdings Board is recommended to:

- 2.1 Note the performance update set out in section 4 and actions proposed to deliver projects by the Company.

## 3. Background

- 3.1 Background information is contained within previous performance updates relating to progress on the acquisition of various sites for development by Sutton Living Limited, and operations relating to the Company.

## 4. Issues



#### Wallington Public Hall

- 4.1 Following approval of the Business Case to develop Wallington Public Hall at the last meeting, Sutton Living has undertaken public consultation prior to making a planning application in November. The intention is to develop 30 homes of which 40% (or 12) will be affordable housing for intermediate rent.

#### The Old Rectory, Carshalton

- 4.2 Sutton Living Ltd has submitted a proposal to convert this Grade 2 building into four apartments for market rent and a turn-key ground floor commercial unit for the Council. A planning application will also be submitted in November, and the building works will be let under a traditional building contract managed by an architectural practice familiar with works on listed buildings.

#### Land on Alexandra Gardens Estate

- 4.3 Sutton Living has drawn up a scheme for 23 homes for affordable housing and market rent on the Alexandra Gardens Estate in Carshalton. Initial consultation has been undertaken with residents living on the estate and nearby, and a planning application is being drawn up to submit to the Council. An offer for the land is shortly to be made to the Council. Subject to the offer being accepted, a Business Case will be submitted to the next meeting of the Shareholdings Board.

#### Individual Sutton owned properties

- 4.4 Sutton Living has considered three other existing property assets owned by the Council in addition to the Old Rectory, but has been unable to agree terms on two of them. Currently only Quarry Cottage, a derelict former park keeper's property in Cheam is being considered. Sutton Living will continue to look at acquiring properties for refurbishment and letting on the basis they can brought into use quicker than new build schemes and so bring income into the company earlier. There are, however, risks on acquiring individual properties, as the investment of time in negotiating individual acquisitions is high to the number of units developed and repair costs can be high, with the risk of cost overruns.
- 4.5 The confidential Sutton Living Risk Register has been reviewed and updated. It is appended for information. The only change relates to Item 22.

### **5. Options Considered**

- 5.1 In reviewing its options for site acquisition and development, all schemes have to comply with the agreed Business Plan assumptions, loan repayment terms, adequate provision for management and maintenance costs, voids and bad debts, otherwise schemes will not be taken forward.
- 5.2 The seeking of development finance and other grants and subsidy will be assessed on their impact on the Company's Business Model.

### **6. Impacts and Implications**



Financial

- 6.1 There are limited financial implications arising from this report as the Company has only just received initial funding as part of its loan agreement to cover its development costs. No substantial outgoings have yet been made as no land purchases have been made or building contracts let.

Legal

- 6.2 There are no direct legal implications.

**7. Appendices and Background Documents**

Appendix letter	Title
A	Risk Register - Exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.

Background documents
None

Audit Trail		
Version	Final	Date: 8 November 2017
Consultation with other officers		
Finance	Yes	Sue Hogg
Legal	No	N/A
Equality Impact Assessment required?	No	N/A

This page is intentionally left blank