

Sutton Shareholdings Board**5 February 2019****SUTTON SHAREHOLDINGS BOARD****5 February 2019 at 6.30 pm**

MEMBERS: Councillor Sunita Gordon (Chair), Councillor Jayne McCoy (Vice-Chair) and Councillors Trish Fivey, Eric Allen and Neil Garratt

17. APOLOGIES FOR ABSENCE

The Chair welcomed all those present. Apologies for lateness were received from Councillor Neil Garratt.

18. DECLARATIONS OF INTEREST

There were no declarations of interest made.

19. ANY ITEMS THE CHAIR DEEMS URGENT

There were no urgent items.

20. MINUTES

RESOLVED: The minutes of the meeting held on 12 September 2018 were approved as a correct record and signed by the Chair.

21. APPOINTMENT OF DIRECTOR TO OPPORTUNITY SUTTON LIMITED

Mary Morrissey, Chief Executive (Interim) briefly presented the report.

RESOLVED: that the appointment of Nicholas Smales (Assistant Director - Economic Development) as a Director of Opportunity Sutton Limited be approved.

22. CREATION OF DESIGN AND BUILD DEVELOPMENT SUBSIDIARY OF SUTTON LIVING LIMITED

Councillor Garratt arrived at the outset of the item at 18.34.

Mike Kirk, Director of Sutton Living briefly presented the report.

RESOLVED: that

1. Sutton Living Limited establish a Design and Build Development Subsidiary ("Sutton Living Design and Build Limited") for the purposes of VAT recovery be agreed.
2. Authority to finalise the appropriate company structure and put in place all necessary contractual and governance arrangements be delegated to the Shareholder Representative, or their nominee, in consultation with the Chair of the Shareholdings Board.

23. AUTHORITY TO APPOINT A DESIGN AND BUILD CONTRACTOR FOR WALLINGTON PUBLIC HALL

Mike Kirk, Director of Sutton Living briefly presented the report.

RESOLVED: that authority to agree the award of the works contract by Sutton Living Limited for the development of Wallington Public Hall be delegated to the Shareholder Representative, or their nominee, in consultation with the Chair of the Shareholdings Board.

24. COGNUS MID YEAR PERFORMANCE REPORT

Kieran Holliday, Head of Pupil Based Commissioning, briefly introduced the report followed by Tracey Burley, Managing Director of Cognus. Further information was given by Bob Harrison (Director - Cognus) and Inigo Churchill (Head of Finance and Corporate Services - Cognus).

Following the presentation, Members discussed from the report: aspects of pricing, profits and dividends, and a pension fund deficit. Gerald Almeroth, Strategic Director - Resources, gave further comment on payment of dividends and the mentioned deficit.

Members were invited to give their views, from the shareholder perspective, as to the aspirations of the company, as well as the first business plan. Reference was given to the shareholder agreement and original motivations behind founding the company. Views were expressed that included any surplus be reinvested in services to allow the business to continue. Members explored, with the contributions of the Strategic Director, whether a not-for-profit company structure and governance arrangement ought to be considered.

RESOLVED: that the mid year performance report in Appendix A against the Business Plan be noted.

25. ENCOMPASS LATC ANNUAL REPORT

Simon Latham, Assistant Director, Housing, Planning and Regeneration, briefly introduced the report followed by Lorraine Thomas, Managing Director of Encompass LATC.

Members queried the late filing of the accounts. The Managing Director confirmed that this incurred a fine and was due to the accountants and audit, for which a large amount of additional information was requested.

Further discussion focussed on the successful innovation services provided by Encompass LATC.

RESOLVED: that Encompass LATC Ltd's Annual Report and Annual Accounts for 2017/18, attached as Appendices A and B, be noted.

26. SUTTON LIVING PERFORMANCE REVIEW AND RISK REGISTER

Mike Kirk, Director of Sutton Living, briefly presented the report. Initial debate focussed on the relationships between the company and council, with contributions from Simon Latham as Director of Sutton Living. Discussion also ensued on paragraph 4.2.3 and funding arrangements with regards to Wallington Public Hall.

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The Chair moved to exclude the press and public in order to discuss any commercially sensitive information under Paragraph 3 of Schedule 12A of the Local Government Act 1972.

Returning to open session, it was:

RESOLVED: that

1. The performance update set out in section 4 and actions proposed to deliver projects by the Company, including mitigating development risk be noted.
2. The Quarter 3 budget statement and annual accounts for 2017/18 be noted.

27. SDEN PERFORMANCE REVIEW AND RISK REGISTER

Daniel Doris, Regeneration Programme Manager, presented the report. Members discussed in further detail aspects of 'phase 2' and rates of return as previously agreed by the Housing, Economy Business Committee and mentioned in the shareholder agreement.

Members of the Board requested that they be kept informed with regards to recommendation 2.5.

RESOLVED: that

1. The performance update contained in the Sutton Decentralised Energy Network Performance Report in Appendix A be noted.
2. The Sutton Decentralised Energy Network Risk Register in exempt Appendix B be noted.
3. The Sutton Decentralised Energy Network Budget Variance for Q3 2018/19 in exempt Appendix C be noted.
4. The Sutton Decentralised Energy Network Limited Annual Accounts for 2017/18 in Appendix D be noted.
5. Authority be delegated to the Shareholder Representative, or their nominee, in consultation with the Chair and Vice Chair of the Sutton Shareholdings Board, to approve the detailed Business Case for the extension to the Lavenders and enter into heat supply contracts with Clarion Housing.

The meeting ended at 7.49 pm

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Chair:

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Date:

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