

Merton Council Sustainable Communities Overview and Scrutiny Panel



Date: 1 November 2018
Time: 7.15 pm
Venue: Committee Rooms C, D & E - Merton Civic Centre, London Road, Morden
SM4 5DX

AGENDA

Page Number

13	Presentations tabled at the meeting The attached Presentations were given as verbal updates at the meeting Item 6: Morden Re-development Item 7: Merantun	1 - 26
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**This is a public meeting – members of the public are very welcome to attend.
The meeting room will be open to members of the public from 7.00 p.m.**

For more information about the work of this and other overview and scrutiny panels, please telephone 020 8545 4035 or e-mail scrutiny@merton.gov.uk. Alternatively, visit www.merton.gov.uk/scrutiny

Press enquiries: communications@merton.gov.uk or telephone 020 8545 3483 or 4093

Email alerts: Get notified when agendas are published
www.merton.gov.uk/council/committee.htm?view=emailer

Sustainable Communities Overview and Scrutiny Panel Membership

Councillors:

Laxmi Attawar (Chair)
Daniel Holden (Vice-Chair)
Stan Anderson
Ben Butler
Joan Henry
Russell Makin
Nick McLean
Anthony Fairclough

Substitute Members:

Nigel Benbow
Mark Kenny
Hina Bokhari
David Dean
Billy Christie

Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

What is Overview and Scrutiny?

Overview and Scrutiny describes the way Merton's scrutiny councillors hold the Council's Executive (the Cabinet) to account to make sure that they take the right decisions for the Borough. Scrutiny panels also carry out reviews of Council services or issues to identify ways the Council can improve or develop new policy to meet the needs of local people. From May 2008, the Overview & Scrutiny Commission and Panels have been restructured and the Panels renamed to reflect the Local Area Agreement strategic themes.

Scrutiny's work falls into four broad areas:

- ⇒ **Call-in:** If three (non-executive) councillors feel that a decision made by the Cabinet is inappropriate they can 'call the decision in' after it has been made to prevent the decision taking immediate effect. They can then interview the Cabinet Member or Council Officers and make recommendations to the decision-maker suggesting improvements.
- ⇒ **Policy Reviews:** The panels carry out detailed, evidence-based assessments of Council services or issues that affect the lives of local people. At the end of the review the panels issue a report setting out their findings and recommendations for improvement and present it to Cabinet and other partner agencies. During the reviews, panels will gather information, evidence and opinions from Council officers, external bodies and organisations and members of the public to help them understand the key issues relating to the review topic.
- ⇒ **One-Off Reviews:** Panels often want to have a quick, one-off review of a topic and will ask Council officers to come and speak to them about a particular service or issue before making recommendations to the Cabinet.
- ⇒ **Scrutiny of Council Documents:** Panels also examine key Council documents, such as the budget, the Business Plan and the Best Value Performance Plan.

Scrutiny panels need the help of local people, partners and community groups to make sure that Merton delivers effective services. If you think there is something that scrutiny should look at, or have views on current reviews being carried out by scrutiny, let us know.

For more information, please contact the Scrutiny Team on 020 8545 4035 or by e-mail on scrutiny@merton.gov.uk. Alternatively, visit www.merton.gov.uk/scrutiny



Morden Regeneration Update

Sustainable Communities Scrutiny Panel
1 November 2018

merton.gov.uk/moreMorden

Introductions

James McGinlay

Assistant Director for Sustainable
Communities

Paul McGarry

Head of futureMerton

Eben van der Westhuizen

Morden Regeneration Project Manager

Kate O'Donnell

Planning & Regeneration Officer

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Overview

- Morden Housing Zone
- Update on moreMorden
- Project Timeline & Key Milestones
- New Local Plan (2020)
- Communications

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Morden Regeneration – The Opportunity

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Morden represents a game changing opportunity and a model for suburban town centre growth in London.



Morden Housing Zone Boundary



Project Team



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Work underway

Following on from Cabinet decision in January 2018:

- Due Diligence
 - Viability
 - Land Assembly
 - Design Framework
 - Transport and Technical Due Diligence
 - Communications Strategy
 - Retail Impact Assessment
- Working with Transport for London
 - Agreed Heads of Terms
 - Weekly Project Discussions
 - Senior Officer Meetings
 - GLA support

Project Timeline & Key Milestones

Oct 2018	Draft New Local Plan Consultation
Nov 2018	Scrutiny Briefing
Dec 2019	Cabinet Report
*Feb 2019	Full Council Report
*Mar 2019	Procurement Launch for Development Partner
Mar 2020	Selection of Preferred Development Partner
2020	Adoption of New Local Plan + planning app
2021	Start on Site (Phase 1)

Communications – Events

September 2018

Stakeholder focus groups

Pop-up engagement events in Morden Town Centre

Transport, Technical and Retail Impact Due Diligence



October 2018

Local Plan Consultation

Sutton Tram Link Consultation (TfL)

Feedback Spring 2019

Questions?

futureMerton
9th Floor Merton Civic Centre
Morden SM4 5DX

 @merton_council #moreMorden





Merantun Development Ltd

Sustainable Communities Overview & Scrutiny

1 November 2018



Merantun
Development Ltd

James McGinlay
Managing Director

Paul McGarry
Director of Design

Damian Hemmings
Project Manager

Background

- Merantun Development Ltd (MDL) established: August 2017
- Company Limited by shares
- Classified as ‘contracting authority’ (significant for procurement)
- Purpose:
 - to develop council-owned sites into housing (or commercial development) for private rent and/or sale (where necessary)
 - to help generate income to the council, helping to protect and support local service provision
 - to meet the demand for new local housing



Council role

- The Council is the sole shareholder and lend to the company at a commercial rate
 - LBM retain ultimate control of Merantun via the annual business plan
 - LBM receives a financial return by way of dividend and interest charges
- The shareholder agreement outlines LBM governance role for matters not included in the company's articles of association
- LBM “Shareholder Sub Committee” make decisions on behalf of the Council as ‘shareholder’ and decides key issues (e.g. annual business plan)



Company set-up

- Merantun registered at companies house
- Nominated Board of Directors:
 - Responsible for day-to-day running
 - SLLP - company secretariat services function
- Officer resource:
 - MDL staff: 1.4 FTE
 - Secondment arrangements being finalised
 - Additional internal & external resource procured
- Service Level Agreements:
 - In process of being agreed for various functions (Finance, IT, Procurement, SLLP etc)
- Finance - loan agreement to be finalised





Housing delivery

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Merantun
Development Ltd

Objectives

- Purpose: to develop council-owned sites into housing (or commercial development) for:
 - i. Private Rent (assumed 2-year shorthold tenancies)
 - ii. Sale (where necessary)
 - iii. Affordable – sell off to RP's in accordance with planning policy

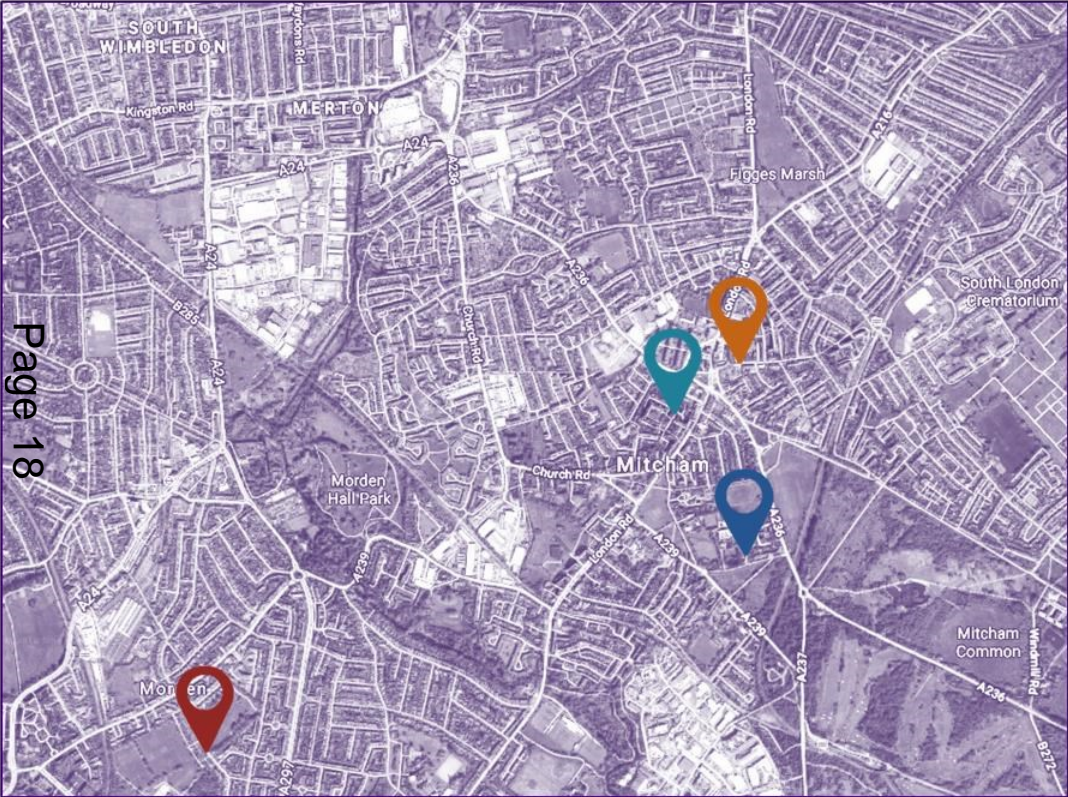
Aim to deliver fully sustainable communities

Responding to housing market changes

- First tranche - four sites to deliver approx. 77 units



Pilot sites



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-  **Elm Nursery**
Mitcham Town
-  **Raleigh Gardens**
Mitcham Town
-  **Canons Place**
Mitcham Cricket Green
-  **Farm Road**
Morden



Pilot sites

Estimated capacity*:

Canons Place

Mitcham Cricket Green

16 units

Raleigh Gardens

Mitcham Town

25 units

Elm Nursery

Mitcham Town

28 units

Farm Road

Morden

8 units

*Subject to review





Procurement & Delivery



Merantun
Development Ltd

Procurement requirements



- Contracting authority – comply with public sector rules
- MDL to use traditional construction
 - separate design and build contracts

MDL requirements:

- Ensure a high level of build quality
 - minimise snagging and maintenance issues
- Maintain control over design quality
 - appearance, density, unit sizes, standardised layouts, fixtures + fittings
- Minimise construction & on-going maintenance costs
- Maintain control of programme and delivery timescale



Traditional Construction



MDL responsible for design and planning

- MDL appoints design/planning/site due-diligence
- Control over design remains with MDL
- Separate appointment of construction contractor

Requires...

- Cost analysis throughout design process
- Discipline of MDL on specification
- Planning applications by MDL

Adds...

- Two-stage procurement
- Greater certainty on construction contract pricing
- Retention of design/cost team throughout process



Procurement process

Soft market testing:

- Likely to be smaller contractors
- Required that MDL contract be no more than 20% of their turnover
- Demonstrates understanding of PRS product

Design procurement:

- Currently underway - due to appoint in early Jan 2019
- Architect to lead design team (inc. cost analysis, engineers etc)
- Potentially one design team for each site

Construction procurement:

- Due to commence in May 2019

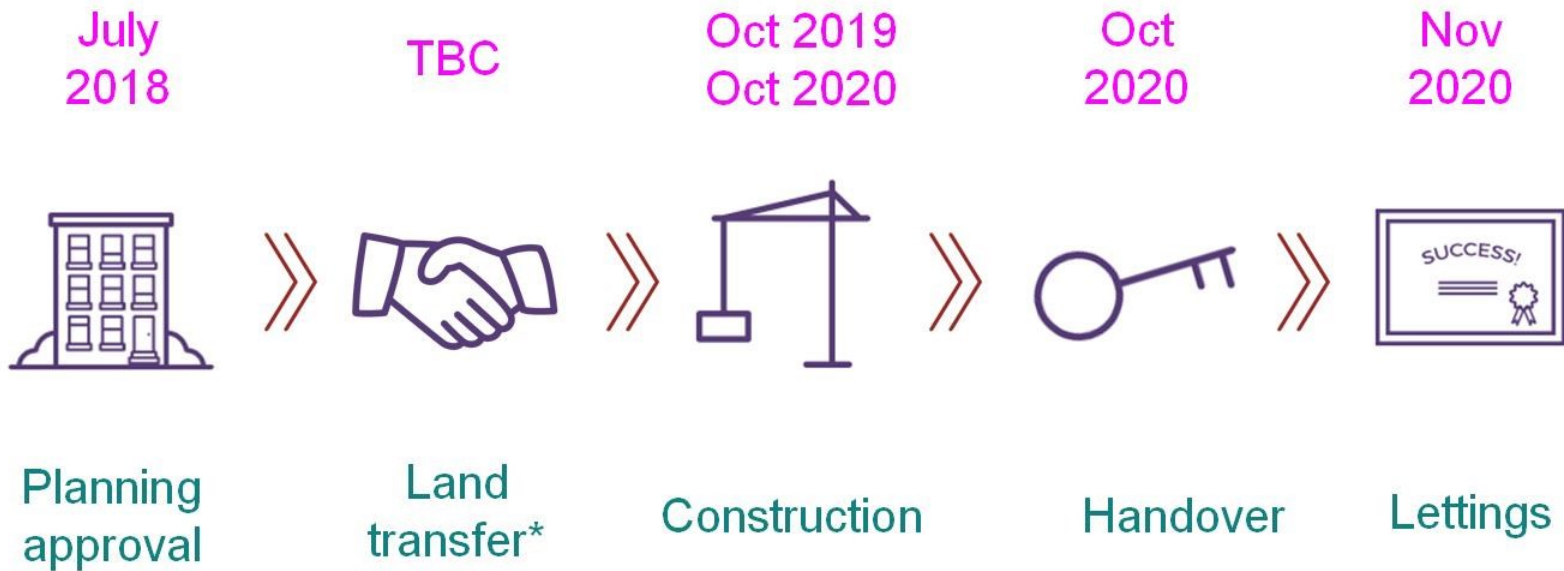


Summary timeline



Summary timeline cont.

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Questions?



Merantun
Development Ltd