

LOCAL AUTHORITY PROPERTY COMPANY (LAPC) SUB-COMMITTEE
12 DECEMBER 2017

(7.15 pm - 7.23 pm)

PRESENT Councillors (in the Chair), Councillor Stephen Alambritis and
Councillor Martin Whelton

Caroline Holland (Director of Corporate Services), Chris Lee
(Director of Environment and Regeneration), James McGinlay
(Assistant Director for Sustainable Communities), Paul McGarry
(FutureMerton Manager) and Fabiola Hickson (Manager
business improvement law)
Louise Fleming (Senior Democratic Services Officer)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies for absence were received from Councillor Mark Allison.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED that the minutes of the meeting held on 16 October 2017 were agreed
as a correct record.

4 MERANTUN DEVELOPMENT COMPANY PROGRESS REPORT (Agenda
Item 4)

The Chair invited the Director of Environment and Regeneration to present the report. It was noted that the Shareholder Agreement had now been approved by the Director in consultation with the Chair of the Sub-Committee, as set out in paragraph 2.3 to the report; and the Equity Subscription Agreement set out in paragraph 2.4 to the report had also been agreed. The amended Articles of Association had been signed and lodged with Companies House. The Shareholders had met to appoint to consider the appointment of two further Directors and therefore the recommendation was now to agree the appointment, rather than note as set out in the Committee report. The Sub-Committee noted the background and experience of the new company Directors.

The Sub-Committee also received an update on the progress with the sites already identified. A meeting would be shortly taking place with the lender to discuss the cash-flow to the company; and contractors had been commissioned to carry out Right of Light assessments, which could be progressed now the Equity Subscription had been agreed. Design contractors would then be appointed and it was hoped that any outstanding issues would be resolved in January, and be brought to Shareholders for

approval. The main risks were around pricing, which would be considered as part of the procurement strategy.

The Sub-Committee was advised that there were over 100 Local Authorities in England who had either set up or were in the process of setting up Local Authority property companies. The benefits being that it added to the Council's supply of housing; and was a way of using assets to generate a revenue return which would benefit residents over time as the revenue stream could be used to plug the Council's gap which could potentially fund services. The Committee noted that there were similar types of operating and governance arrangements across local government property companies.

RESOLVED:

1. That the appointment of two further Directors of Merantun Development Limited, as set out in the Committee report, be agreed.
2. The current position of the agreement of the Company's Shareholder Agreement and Equality Subscription Agreement be noted.