



**CORPORATE SERVICES DEPARTMENT**  
Caroline Holland - Director

To all Members of the Council

**Democratic Services  
London Borough of Merton  
Merton Civic Centre  
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***Date: 18 October 2017***

Dear Councillor

**Notification of the Local Authority Property Company Sub-Committee Decisions**

The decisions of the Local Authority Property Company Sub-Committee meeting held on Monday 16 October 2017 are attached.

The call-in deadline is Monday 23 October 2017 at noon

The [call-in](#) form is attached for your use if needed and refers to the relevant sections of the constitution.

Yours sincerely

Democracy Services



**Decisions of the Local Authority Property Company (LAPC) Sub-Committee held on Monday 16 October 2017**  
**Call-in deadline – Monday 23 October 2017 at noon**

4	Housing Company Shareholder Sub-Committee Report	<p>RESOLVED:</p> <ol style="list-style-type: none"> <li>1. That the Terms of Reference and Sub-Committee Membership be noted;</li> <li>2. That the update on Merantun Development Ltd's progress be noted;</li> <li>3. That the nomination of the Director of Environment and Regeneration as the Shareholder Representative be approved; and authority be delegated to the Director to:             <ol style="list-style-type: none"> <li>(i) act as the Shareholders representative in Company meetings for the purposes of passing ordinary and special resolutions and</li> <li>(ii) to make decisions on company matters, as the Shareholder Representative, unless the matter is specifically reserved to the Sub-Committee.</li> </ol> </li> <li>4. The draft Shareholders Agreement and the Reserved Matters contained in Schedule 1 (Appendix 1) and the draft Amended Articles of Association (Appendix 2) be noted; and authority be delegated to the Shareholder Representative in consultation with the Chair of the Sub-Committee to:             <ol style="list-style-type: none"> <li>(i) agree these documents (save where there is a material change); and</li> <li>(ii) enter into the Shareholders Agreement and approve adoption of the Amended Articles of Association.</li> </ol> </li> <li>5. That on the Shareholder Agreement being entered into, the Reserved Matters contained in Schedule 1 of the agreement be reserved to the Sub-Committee; and authority be delegated to the Shareholder Representative with regards decisions relating to Reserved Matters in consultation with the Chair as and when necessary save for the following:             <ol style="list-style-type: none"> <li>(i) Altering in any respect the Articles or the rights attaching to any of the shares in MERANTUN DEVELOPMENT LTD (except as provided in clause 16.3 of the</li> </ol> </li> </ol>
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		<p>Draft Shareholder Agreement).</p> <p>(ii) Permitting the registration of any person as a member of MERANTUN DEVELOPMENT LTD other than the Council.</p> <p>(iii) Increasing the amount of MERANTUN DEVELOPMENT LTD's issued share capital, granting any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeeming or purchasing any of its own shares or effecting any other reorganisation of its share capital.</p> <p>(iv) Incurring expenditure or entering into any arrangement, contract or transaction in excess of:</p> <p>(a) Other than in relation to any land acquisition, £2,000,000 (2 million pounds);</p> <p>(b) In relation to any land acquisition, £2,000,000 (2 million pounds).</p> <p>(v) Issuing any loan capital in MERANTUN DEVELOPMENT LTD or entering into any commitment with any person with respect to the issue of any loan capital.</p> <p>(vi) Applying for the listing or trading of any shares or debt securities on any stock</p>
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		<p>exchange or market.</p> <p>(vii) Passing any resolution for its winding up or presenting any petition for its administration (unless it has become insolvent).</p> <p>(viii) Altering the name of MERANTUN DEVELOPMENT LTD or its registered office.</p> <p>(ix) Adopting or amending the Business Plan in respect of each Financial Year.</p> <p>(x) Changing the nature of MERANTUN DEVELOPMENT LTD's Business or commencing any new business by MERANTUN DEVELOPMENT LTD which is not ancillary or incidental to the Business.</p> <p>(xi) Forming any Subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not).</p> <p>(xii) Amalgamating or merging with any other company or business undertaking.</p> <p>(xiii) Creating or granting any Encumbrance over the whole or any part of the Business, undertaking or assets of MERANTUN DEVELOPMENT LTD or over any shares in MERANTUN DEVELOPMENT LTD or agreeing to do so other than liens arising in the ordinary course of business or any charge arising by the operation or purported operation of title retention clauses and in the</p>
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ordinary course of business.

- (xiv) Factoring or assigning any of the book debts of MERANTUN DEVELOPMENT LTD.
- (xv) Changing the auditors of MERANTUN DEVELOPMENT LTD or its Financial Year end.
- (xvi) Establishing or amending any profit-sharing, share option, bonus or other incentive scheme of any nature for Directors or employees.
- (xvii) Establishing or amending any pension scheme or granting any pension rights to any Director, officer, employee, former Director, officer or employee, or any member of any such person's family.
- (xviii) Appointing or dismissing any Director or Chairman.
- (xix) Making any agreement with any revenue or tax authorities or making any claim, disclaimer, election or consent for tax purposes in relation to MERANTUN DEVELOPMENT LTD or its business.
- (xx) Purchasing any housing or commercial unit(s) or land which is situated outside of the Council's administrative area.

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|  |  | <ol style="list-style-type: none"><li>6. The Shareholder Representative be required to report any decisions made under the delegated authority contained in recommendation 5 above to the next Sub-Committee meeting after the decision was taken;</li><li>7. The equity subscription of £160,560.00 to the Company in relation to the working capital as described in paragraph 4.1 of the report be approved; and authority be delegated to the Shareholder Representative in consultation with the Chief Financial Officer (the S151 officer) to approve the terms of the equity subscription and to enter into an Equity Subscription Agreement in relation to this sum;</li><li>8. To grant delegated authority to the Shareholder Representative in consultation with the S151 Officer and the Chair to negotiate the terms of Finance Agreements and/or Equity Subscription Agreements subsequently required after the Equity Subscription Agreement (referred to in recommendation 7 above) and to enter into such agreements;</li><li>9. The appointment of James McGinlay as a Director of Merantun Development Ltd be approved;</li><li>10. The dates for information sessions on the financial documentation and the forward plan agenda items be agreed.</li></ol> |
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## Merton Council - call-in request form

### 1. Decision to be called in: (required)

### 2. Which of the principles of decision making in Article 13 of the constitution has not been applied? (required)

Required by part 4E Section 16(c)(a)(ii) of the constitution - tick all that apply:

(a) proportionality (i.e. the action must be proportionate to the desired outcome);	
(b) due consultation and the taking of professional advice from officers;	
(c) respect for human rights and equalities;	
(d) a presumption in favour of openness;	
(e) clarity of aims and desired outcomes;	
(f) consideration and evaluation of alternatives;	
(g) irrelevant matters must be ignored.	

### 3. Desired outcome

Part 4E Section 16(f) of the constitution- select one:

(a) The Panel/Commission to refer the decision back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns.	
(b) To refer the matter to full Council where the Commission/Panel determines that the decision is contrary to the Policy and/or Budget Framework	
(c) The Panel/Commission to decide not to refer the matter back to the decision making person or body *	
* If you select (c) please explain the purpose of calling in the decision.	



**4. Evidence which demonstrates the alleged breach(es) indicated in 2 above (required)**

Required by part 4E Section 16(c)(a)(ii) of the constitution:

**5. Documents requested**

**6. Witnesses requested**

**7. Signed (not required if sent by email): .....**

**8. Notes – see part 4E section 16 of the constitution**

Call-ins must be supported by at least three members of the Council.

The call in form and supporting requests must be received by by 12 Noon on the third working day following the publication of the decision.

The form and/or supporting requests must be sent:

- **EITHER** by email from a Councillor's email account (no signature required) to [democratic.services@merton.gov.uk](mailto:democratic.services@merton.gov.uk)
- **OR** as a signed paper copy to the Head of Democracy Services, 8<sup>th</sup> floor, Civic Centre, London Road, Morden SM4 5DX.

For further information or advice contact the Head of Democracy Services on 020 8545 3864