

# **Merton Council**

## **Merantun Development Limited Sub-Committee Agenda**

### **Membership**

#### **Councillors:**

Stephen Alambritis  
Mark Allison  
Martin Whelton

**Date:      Monday 15 October 2018**

**Time:      7.30pm, or on the rise of the Cabinet meeting which starts at 7.15pm  
on the same evening.**

**Venue:    Committee Rooms C,D,E, 1st floor, Merton Civic Centre**

This is a public meeting and attendance by the public is encouraged and welcomed.  
For more information about the agenda please contact  
[democratic.services@merton.gov.uk](mailto:democratic.services@merton.gov.uk) or telephone [020 8545 3616](tel:02085453616).

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# **Merantun Development Limited Sub-Committee Agenda**

## **15 October 2018**

- |   |   |       |
|---|---|-------|
| 1 | Apologies for absence                                   |       |
| 2 | Declarations of pecuniary interest                      |       |
| 3 | Minutes of the previous meeting                         | 1 - 2 |
| 4 | Merantun Development Limited - Progress Report-Oct 2018 | 3 - 8 |

### **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.

## MERANTUN DEVELOPMENT LIMITED SUB-COMMITTEE 30 JULY 2018

(7.45 pm - 7.49 pm)

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

Ged Curran (Chief Executive), Hannah Doody (Director of Community and Housing), Caroline Holland (Director of Corporate Services), Rachael Wardell (Director, Children, Schools & Families Department), Fabiola Hickson (Manager business improvement law), Paul McGarry (FutureMerton Manager) and James McGinlay (Assistant Director for Sustainable Communities)  
Louise Fleming (Senior Democratic Services Officer)

### 1 APOLOGIES FOR ABSENCE (Agenda Item 1)

There were no apologies for absence received.

### 2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest made.

### 3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The minutes of the meeting held on 12 December 2017 were agreed as a correct record.

### 4 MERANTUN DEVELOPMENT LIMITED - PROGRESS REPORT (Agenda Item 4)

The Director of Corporate Services presented the report which updated on progress made since the last meeting, highlighting the change in the timetable for the design and planning contract tender. Despite delaying the tender process to September to facilitate a higher response rate, this would only impact on the overall delivery of the programme by a month. The costings were currently within budget.

The Deputy Leader and Cabinet Member for Finance clarified that the programme was broadly on schedule from that which had previously agreed and the company was preparing to enter into further detailed works to progress the delivery of much needed housing in the Borough.

The Cabinet Member for Regeneration, Housing and Transport welcomed the progress that had been made to date and highlighted the importance of keeping a close watch on progress to ensure adherence to the timetable and the best possible use of the sites.

The Chair also welcomed the progress made.

RESOLVED:

1. That the progress of Merantun Development Limited (MDL) for the delivery of their new build housing programme be noted.
2. That the approval being sought by MDL from the Shareholder Representative in conjunction with the S151 Officer and Chair for the current year operational and development budgets in return for shares be noted.

5 CHANGE OF FINANCIAL YEAR END DATE (Agenda Item 5)

The Director of Corporate Resources presented the report which proposed a change in the financial year-end date of the company to synchronise with the Council's financial year-end date. This would result in the requirement to submit the first set of accounts early, by the end of December. It was not anticipated that this would have any adverse impact and it made financial sense to align with the Council's accounting processes.

RESOLVED:

1. That the financial year end date (account referencing date) be amended from 31 August 2018 to 31 March 2019 to align the end of the financial year date of Merantun Development Limited with the financial year end date of the London Borough of Merton; and
2. That the first set of accounts will be less than 12 months and require filing at Companies House by 31<sup>st</sup> December 2018.

## **Merantun Development Limited Sub-Committee**

**15 October 2018**

Wards: All

### **Merantun Development Limited Company Progress Report**

Lead officer: Chris Lee, Director of Environment and Regeneration  
Lead member: Councillor Stephen Alambritis, Leader of the Council  
Councillor Martin Whelton, Cabinet Member of Regeneration,  
Housing and Transport  
Councillor Mark Allison, Cabinet Member for Finance  
Contact officer: Chris Lee, Director of Environment and Regeneration

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#### **Recommendations:**

- A. To note the progress of Merantun Development Limited (MDL) for the delivery of their new build housing programme.
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#### **1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to update the Shareholder Sub-Committee on the progress of Merantun Development Limited in quarter three of the 2018-19 financial year.

#### **2. DETAILS**

- 2.1 The company was incorporated on the 9th August 2017 to undertake the development of circa. 77 residential units on four sites – Farm Road Church, Morden; land at the Canons, Mitcham; Elm Nursery, Mitcham and Raleigh Gardens, Mitcham.
- 2.2 Good progress is being made in the preparation of the development of these sites as well as the set-up of the Merantun Development Limited's (the Company) operational structures. Service Level Agreement (SLA) are currently being agreed with council services, including SLLP, IT and Finance, to allow day-to-day operation.
- 2.3 Procurement has commenced for specific technical and specialised advice required by the Company to deliver the development sites. An OJEU tender was released in early October for the procurement of architectural/design consultants with a view to appointing in January 2019.
- 2.4 Once appointed, the design consultants will lead on scheme design and will undertake preparatory work prior to the submission of a planning application for the sites in April 2019.
- 2.5 Quotes have been sought and responses received for the delivery of site surveys to undertake due diligence on the four development sites. Firms are due to be appointed imminently with due diligence commencing in October 2018.
- 2.6 A copy of the company's delivery programme is attached (Appendix A).

- 2.7 Ian McKinnon has resigned as a Director of the Company. A new Director will be identified by the Company and will be returned to committee for Shareholder's approval in due course.
- 2.8 The sub-committee, at its meeting on the 16th October 2017, agreed to an equity subscription for £160,560. This was enacted and shares to that value have been issued by the Company to the London Borough of Merton.
- 2.9 The Board of directors for the Company approved the operational and development budgets for the period from April 2018 to March 2019. This was subsequently agreed by the Shareholder representative in conjunction with the Section 151 Officer and the Chair of the sub-committee.
- 2.10 The Company is working with the Council via a service level agreement to draw-down the remaining funds for 2018-19 and submit the issue of share certificates. This will be completed in October 2018.
- 2.11 The company is operating within the agreed budget.

### **3. ALTERNATIVE OPTIONS**

- 3.1 None for the purposes of this report.

### **4. CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1 None for the purposes of this report.

### **5. TIMETABLE**

- 5.1 As per the attached programme (Appendix A).

### **6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1 The sub-committee, at its meeting on the 16th October 2017, agreed to an equity subscription for £160,560. This was enacted and shares to that value have been issued by the Company to the London Borough of Merton.
- 6.2 The Board of directors for the Company has approved the operational and development budgets for the period from April 2018 to March 2019. This was subsequently agreed by the Shareholder representative in conjunction with the Section 151 Officer and the Chair of the sub-committee.
- 6.3 The Company is working with the Council via a service level agreement to draw-down the remaining funds for 2018-19 and submit the issues of share certificates, to be completed in October 2018.
- 6.4 The company is operating within the agreed budget for the current financial year.
- 6.5 The year to date expenditure incurred and the forecast spend for 18/19 will be reported at the next shareholder subcommittee.

### **7. LEGAL AND STATUTORY IMPLICATIONS**

- 7.1 The purpose of this report is to provide an update to the Shareholder as to the current position of various projects undertaken by the Company. The Company will need to ensure that any business transactions or actions that are carried out regarding the development of various sites or the appointment of additional directors are in accordance with the Company's articles of association and

shareholder's agreement, and are also compliant with Public Contract Regulations 2015 and the Company's Contract Standing Orders and/or Procurement Policy.

**8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

8.1 None for the purposes of this report.

**9. CRIME AND DISORDER IMPLICATIONS**

9.1 None for the purposes of this report.

**10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1 None for the purposes of this report.

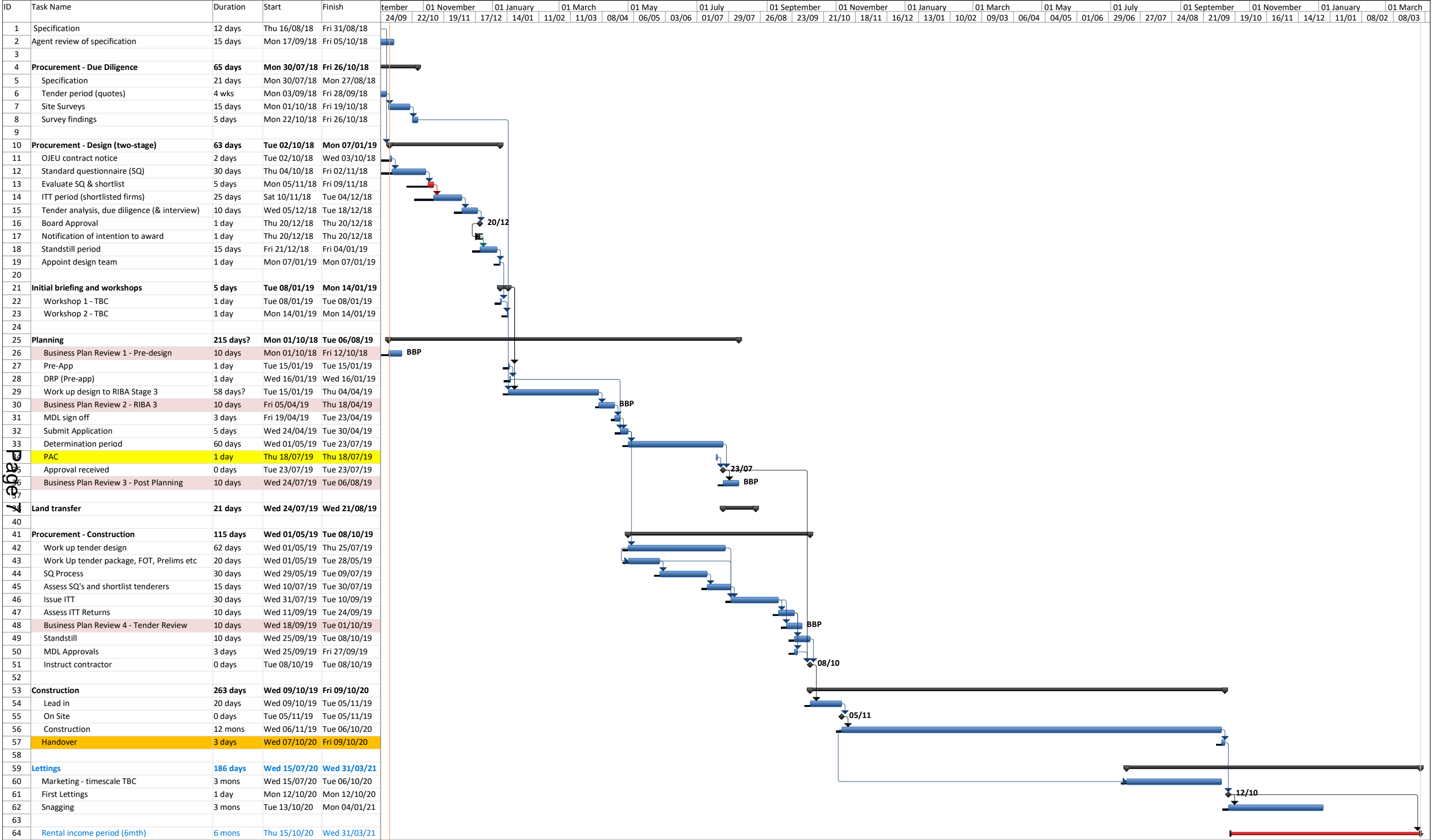
**11. APPENDICES**

- Appendix A – MDL Programme

**12. BACKGROUND PAPERS - NONE**

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Project: 2018-08-28 Merantun Pro  
Date: Tue 02/10/18

Task

Split

Milestone

Summary

Project Summary

External Tasks

External Milestone

Inactive Task

Inactive Milestone

Inactive Summary

Manual Task

Duration-only

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

Deadline

Critical

Critical Split

Progress

Slippage

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