

MERANTUN DEVELOPMENT LTD

Merton's Local Authority Property Company (LAPC)



COMPANY PURPOSE



To generate income for the council

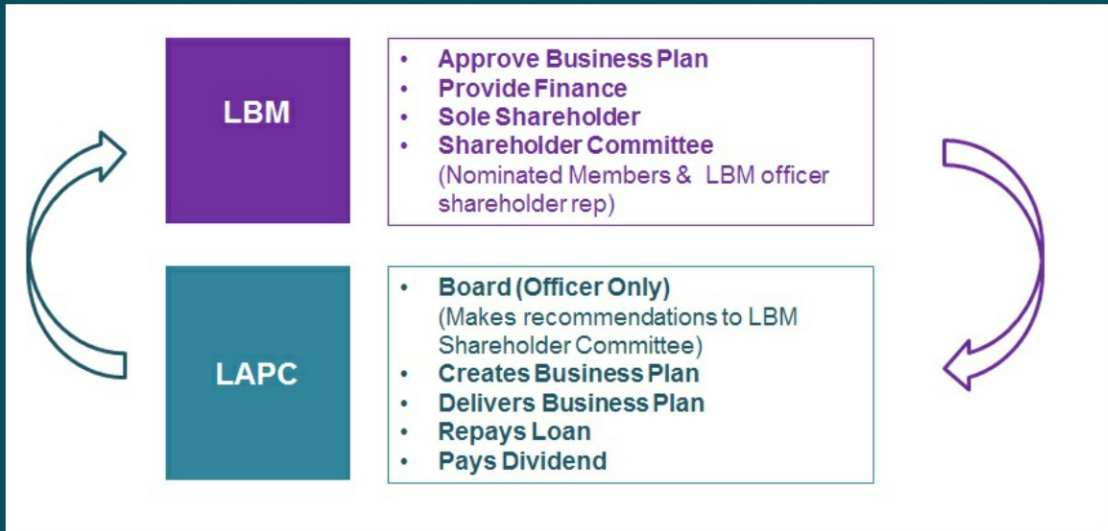
£400,000 income per year (from years 4-30)

**LBM profit from loan arrangement
LBM savings via staff secondments
Dividends returned to the council**

FINANCE AND GOVERNANCE



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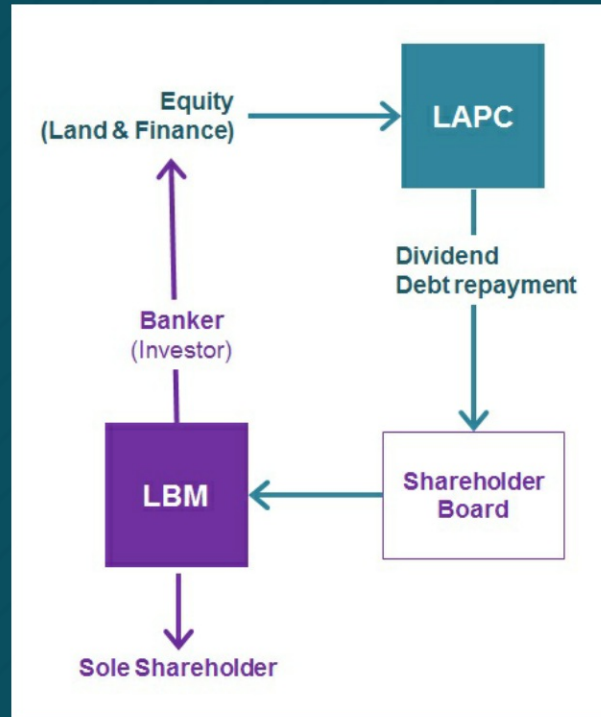


**Wholly owned by LBM.
Cabinet sub-group is the sole shareholder.**

FINANCE AND GOVERNANCE



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Flow of finance and income back to LBM

THE PROPOSITION



Invest & Return

£25m investment

£17m profit to LBM
over 30 years
(revenue)

Disposal value
(of assets once built)
£ 52m



Housing Supply

77 units (initially)

20 affordable (26%)
(policy compliant)

Occupation by 2019 and
pipeline 1000+

Company can consider
Temporary Accommodation
subject to business plan

A PROPERTY DEVELOPMENT COMPANY FOR MERTON

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The purpose of the LAPC is to:

Generate the most advantageous revenue return for the council

The company will develop housing for private rent, private sale and as required through planning policy, deliver affordable housing units (via a Housing Association)

The company can also develop other types of property (commercial / industrial etc)

The LAPC's primary focus will be housing development.



PROGRESS TO DATE: GOVERNANCE

Cabinet & Full Council approval in May 2017

Shareholder sub-committee established
-First meeting 7th September 2017

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- Company registered at Companies House
 - Merantun Development Ltd
 - Company Board of Directors
 - agreed and subject to approval by the shareholder sub-committee
 - Company staffing structure agreed



PROGRESS TO DATE: DELIVERY

Elm Nursery

Raleigh Gdns

Canons Place

Farm Road

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First 4 sites - work commissioned on;

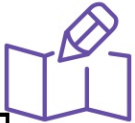
- Ecology surveys
- Rights to light surveys
- Geo-technical surveys (ground conditions)
- Highway searches
- Underground utility searches
- Title searches



PROGRESS TO DATE: DELIVERY



procurement Plan
- to be complete October 2017



Procurement Pack 1
- for Design, Planning & Construction

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Procurement Pack 2
- for Management & Maintenance
- from summer 2018 onwards



PROGRESS TO DATE: DELIVERY



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Finalise private rental property specification

Further research on defining our product
- underway

Analysis of our market position & competitors
- underway

Final specification & company brand to be concluded by
October 2017



PROGRAMME

- Oct 17 Finalise specification
- Oct 17 Procure architects / planning consultants
- Nov 17 Commence prep of construction tender packs
- Jan 18 Submit planning applications
- Jun 18 Start on site
- 9/12 month build programme
- Summer 19 Completions

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FUTURE PROSPECTS FOR THE LAPC

Elm Nursery

Raleigh Gdns

Canons Place

Farm Road

Morden

Wimbledon

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The company will initially deliver c77 units on 4 sites.

We will consider all of the council's remaining property assets as opportunities to maximise returns to the Council, including major opportunities in Morden and Wimbledon.

These opportunities will be developed in future year's business plans and approved by the shareholder board (Cabinet sub-group)





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