

REPORT TO:	SCRUTINY AND OVERVIEW COMMITTEE 27 May 2021
SUBJECT:	ADDENDUM TO CALL IN REPORT
LEAD OFFICER:	Katherine Kerswell – Interim Chief Executive Chris Buss – Interim Director of Finance, Investment and Risk
CABINET MEMBERS:	Leader of the Council – Councillor Hamida Ali

1. CALL-IN – ONGOING REVIEW OF BRICK BY BRICK CROYDON LTD AND ASSOCIATED MATTERS RELATING TO THE COMPANY

- 1.1 The decision outlined in the call-in report does not take account of the amendment to the decision which was agreed by the Cabinet at its meeting on 17 May. The actual decision that was subject of this call-in is outlined below. The amendment agreed by the Cabinet is highlighted :

*Having carefully read and considered the Part A report, the associated confidential part B report, and the requirements of the Council's public sector duty in relation to the issues detailed in the body of the reports, the Cabinet **resolved** to:-*

- 1.1 *Agree that the Council recognises the costs of the Fairfield Halls refurbishment, being a total of £69.261 million (as identified in Appendix 1), as capital expenditure rather than as a Capital Loan and to:*
- i. Agree, in principle, that the existing Fairfield Halls refurbishment contracts with Brick by Brick be novated to the Council (subject to review of the individual contracts, to be finalised and authorised by the Interim Executive Director of Place under their delegated authority); and*
 - ii. Agree, in principle, that specialist consultants or contractors, required to identify any additional remedial works to the building, be appointed (in accordance with the Council's Tenders and Contracts Regulations).*
- 1.2 *Approve that the Council's Housing Revenue Account (HRA) can acquire 104 residential units from Brick by Brick as set out in Appendix 2 and as further detailed in the Part B restricted report.*
- 1.3 *Agree that the consolidated loan agreement shall, if required, be varied to include a further loan draw down amount of up to £10 million to cover additional working capital, in the event that this is required by Brick by Brick due to possible delays with forecast sales receipts (this is in addition to the £9.99m agreed by Cabinet in February 2021) and agree that authority be given to the Interim Chief Executive in consultation with the interim Director of Finance, Insurance and Risk and Section 151 officer and in consultation with the Leader and the Cabinet Member for Croydon Renewal and Cabinet Member for Resources and Financial Governance; to agree such draw down sums (not exceeding the overall additional £10m) as appropriate to address immediate operational needs.*

1.4 To note that any recommendation to acquire further units or other assets from Brick by Brick, and that any such acquisition of units to be within existing capital budget provision and meet the affordability criteria, should return to Cabinet for decision.

1.5 Otherwise note the progress made with regard to the previous February 2021 Cabinet recommendations on Brick by Brick.