

## QUESTIONS TO CABINET MEMBERS

<b>Question Number</b>	<b>Question asked by Councillor:</b>	<b>Subject</b>
<b>CABINET MEMBER FOR HOMES &amp; GATEWAY SERVICES</b> <b>Councillor Alison Butler</b>		
CQ011-19	Hale, L	Brick by Brick Information
CQ012-19	Pelling, A	HMO Consultation

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## **CQ011-19 from Councillor Lynne Hale**

### **Councillor Alison Butler**

Please advise:

1. The criteria for appointing Directors to the Brick x Brick (BxB) Board
2. Why the BxB accounting period has been extended by 3 months
3. When we can expect to see the next full set of BxB accounts
4. Where the money is coming from to pay the BxB dividend to the Council and when this will be paid.
5. The exact sums which BxB has borrowed from the Council in the following years: 2016/17; 2017/18; 2018/19.
6. The expected borrowing for 2019/20.

### **Reply**

#### **1. The criteria for appointing Directors to the Brick x Brick (BxB) Board**

The company's articles of association specify that the company has 4 Board members: 2 nominated by the Council and 2 nominated independently. One of the independent Board members is the Managing (Executive) Director (who is responsible for the operational management of the company) and a second nomination is made based on identifying an individual with relevant and appropriate experience to operate successfully at Board level in the Development sector. The Council has the freedom to nominate its Board members as it sees fit. To date this has involved the nomination of Council officers to the Board, but it is free to appoint externally should it choose to do so.

## **2. Why the BxB accounting period has been extended by 3 months**

When the company was set-up, accounting services were provided by the Council. The financial years of the two organisations were staggered (31<sup>st</sup> December for BxB, and 31<sup>st</sup> March for LBC) so that sufficient resources could be committed to preparing the respective financial statements. However, now that BxB has its own finance capability it makes more sense for the year end dates to be aligned in order to make the consolidation of the accounts more straightforward (as a wholly owned company, the BxB financial statements must be included in the Council's group accounts and working to different year-ends creates unnecessary complication when reconciling inter-company balances). Companies House allows a company to amend its year-end date once following incorporation, and this has been fully agreed with the company's external auditors.

## **3. When we can expect to see the next full set of BxB accounts**

The next set of BxB accounts will be prepared to 31<sup>st</sup> March 2019 (running a 15 month period). They will therefore be issued at the same time as the Council's financial statements.

## **4. Where the money is coming from to pay the BxB dividend to the Council and when this will be paid**

When BxB prepares its financial statements, it will present a profit/loss statement. This shows its revenues for the year (from sales, rent, etc) versus the corresponding "cost of sales" on completed units (mostly development costs).

Where there is a profit, this will be reflected in the Council's year-end accounts (as part of the consolidated group accounts) and therefore offset against the cost of delivering services.

Any required cash transactions would follow (which will also cover the re-payment of loans, loan interest, and any additional land value covered by overage arrangements).

**5. The exact sums which BxB has borrowed from the Council in the following years: 2016/17; 2017/18; 2018/19**

**2016/17** – £13.267m

**2017/18** – £21.978m

**2018/19** – £48.591 (provisional figure for draft 2018/19 statements)

Note: the borrowing figures provided are aligned to LB Croydon financial years.

**6. The expected borrowing for 2019/20**

This is forecast to be £76.1m according to the most recently published BxB business plan.

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**CQ012-19 from Councillor Andrew Pelling**

**Councillor Alison Butler**

Please advise of the number of responses to the Article 4 direction on HMOs consultation and detail the number of responses by those from within the Borough and those outside the Borough and to detail from those within the Borough as defined by the number of responders by each ward.

**Reply**

The Consultation on the Article 4 Direction was undertaken for a 6 week period, concluding on 8th March 2019, 50 representations have been received.

The consultations in accordance with the planning regulations do not require respondents to give their address so the second part of the question cannot be answered.