

Croydon Council
23 March 2023
Croydon Question Time – Public Questions from the Public Gallery

Question 1

Can the Mayor / Council confirm whether they understand the causal factors behind the Brick by Brick / Fairfield Halls issues and if so what controls have been put in place to prevent this from happening again?

Response

The Report in the Public Interest in October 2020 set out detailed concerns about how Brick by Brick, the failed housing developer, was set up and managed by the previous Administration.

Despite being given hundreds of millions of pounds in loans funded by Croydon taxpayers, Brick-by-Brick has not made a single penny of profit.

We are currently in the process of winding down Brick-by-Brick and seeking to minimize losses to the taxpayer but it is clear that it will cost the Council tens of millions of pounds in losses and unrepaid loans.

The dramatically overspent Fairfield Halls refurbishment was the subject of a further Report in the Public Interest in January 2022 and a detailed forensic investigation, the Kroll Report, into potential fraud in the process.

These reports have driven significant strengthening of governance in the Council including the setting up of a new Cabinet-level Board for managing council owned companies and dramatic changes to how the council's programme and financial management processes are run.

This Administration is committed to resolving the historic financial mismanagement which has cost our borough so dearly, a key part of that is completing the wind down of Brick-by-Brick and ensuring every penny of taxpayer money possible is returned.

Question 2

Instead of ordering residents to pay unaffordable council tax now, why have you not yet announced any plans to recoup monies paid by Croydon council, to former members and officers, as detailed in your recent election communications?

Response

I know local people are angry at what has happened to the Council over recent years. I share that anger and feel strongly that those who are responsible need to be held to account wherever possible.

That is why at last week's Appointments and Disciplinary Committee I and other Members voted to refer the Penn and Kroll investigation reports into the Council's mismanagement, to the Metropolitan police for investigation.

We have also agreed to refer these reports to each of the former senior leaders' professional bodies and the Council will be taking legal action to seek to recoup as much of the exit payment made to the former Chief Executive as legally possible.