

LONDON BOROUGH OF CROYDON

REPORT:	Cabinet	
DATE OF DECISION	14th February 2024	
REPORT TITLE:	Brick by Brick Croydon Ltd Closure Report	
CORPORATE DIRECTOR	Jane West – Corporate Director of Resources	
LEAD OFFICER:	Huw Rhys Lewis – Director of Commercial Investment & Capital	
LEAD MEMBER:	Mayor Jason Perry – Executive Mayor Cllr Jason Cummings – Lead Member for Finance	
KEY DECISION?	YES	Key Decision – Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council’s budget for the service or function to which the decision relates
CONTAINS EXEMPT INFORMATION?		Yes – Confidential Appendix A, Financial Analysis Sale vs Build Out Exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it relates to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in withholding disclosure outweighs the public interest in disclosure.
WARDS AFFECTED:	All	

1 Summary of Report

- 1.1 This will be the final report to Cabinet that requests the decision to formally begin the process of winding down Brick by Brick Croydon Ltd. This report updates Cabinet on the final expected write off position and discusses a range of options that have been considered by the Council to achieve the most effective winddown.
- 1.2 Brick by Brick delivered a total of 751 residential units of which 385 have been affordable units and 366 have been private, this has come at considerable cost to the Council and residents. The Council has not received any dividend returns from the company, which was one of the intended aims. Instead, the Council will have no choice but to write off a large loan balance and fund the write off from its own budgets following the non-repayment of debt by BBB. The wider impact of BBB poor performance has impacted badly on the reputation of the Council and also highlighted the short comings in the governance of BBB by the then Council administration. All of these factors and costs have contributed to the £1.3billion debt position that the Council now finds itself.
- 1.3 In September 2014 Cabinet agreed to set up a wholly Council owned housing company (BBB), with the aim to address the severe shortage of homes in Croydon and increase the supply of affordable homes.

- 1.4** In February 2021, on the back of the Council's significant financial and operational challenges, which eventually led to a Section 114 notice being issued, the Council decided to cease any new activity within BBB and allow the company to build out 23 of 29 sites in its ownership and return the other 6 sites back to the Council.
- 1.5** BBB have now completed the development of the 23 sites and 4 of the 6 sites have so far been purchased back by the Council. With no new activity and immaterial assets and liabilities remaining within the company the Council is now in a position to winddown the Company. BBB is currently insolvent but is supported by the Letter of Comfort issued by the Council as shareholder. As part of the closure of BBB the Council and BBB Board aim to winddown the entity on a solvent basis and this will be subject to the final debt write off position.
- 1.6** The company however has repaid loans to the Council totalling £47.3m in 2022/23. This is in addition to the £30.4m that was repaid in 2021/22. The outstanding loan balance as at the end of March 2023 was £103.93m and all accrued interest has now been paid back to the Council. The net effect of these repayments will be to leave the Council in a position of having to write off some of the loans made to BBB estimated between £62m and £68m. The exact final amount will be dependent on the final date of the winddown and asset disposals.
- 1.7** The impact on the Council's financial position will not be as severe as it might have been due to the Council making prudent provision within its accounts of charging the full Minimum Revenue Provision (MRP) on the loans to BBB.
- 1.8** All current Directors of BBB will be asked to resign from the Board of the Company by end of March 2024. The Council will then appoint Council Officers to be Directors of BBB (being mindful of any potential conflict of interests) who will lead the solvent winddown with the support from the Company's Accountants Ensors and any appointed liquidator. The Council's Finance and Legal teams will support the winddown process and further advisory and staffing arrangement will be made available should it be required.

2 Recommendations

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended (acting, where relevant, on behalf of the Council exercising its functions as sole shareholder of Brick by Brick Croydon Ltd):

- 2.1** To approve that Brick by Brick Croydon Ltd be closed down on a solvent basis as detailed under Option 1 of Section 8.
- 2.2** To delegate to Corporate Director of Resources (S151 Officer), in consultation with Director of Legal Services, Corporate Director Housing and Director of Commercial Investment & Capital to decide whether the Council under its Housing Revenue

Account (HRA) and/or General Fund (GF) acquire all or part of the remaining assets and liabilities of BBB if not disposed within a reasonable time frame.

- 2.3** To delegate to Corporate Director of Resources (S151 Officer), in consultation with Executive Mayor, Lead Member of Finance, Director of Legal Services, Director of Commercial Investment & Capital to negotiate the sale of Brick by Brick Croydon Ltd should an offer that improves the Council's financial position, against the winddown position, be received before the proposed winddown date of the company.
- 2.4** To delegate to Corporate Director of Resources (S151 Officer), in consultation with Executive Mayor, Lead Member of Finance, Director of Legal Services and Director of Finance to enter into any final legal agreements on behalf of the Council as Shareholder and/or Lender and make any necessary shareholder resolutions, where relevant to give effect to the recommendations and delegated decisions in this report as part of the winddown process.
- 2.5** To delegate to Corporate Director of Resources (S151 Officer), in consultation with the Executive Mayor, Lead Member of Finance, Director of Legal Service and Director of Finance to approve the final loan principle write off amount, up to £70m, at the point of winddown.
- 2.6** To delegate to the Corporate Director of Resources (S151 Officer), in consultation with the Executive Mayor, Lead Member of Finance, Director of Legal Service and Director of Commercial Investment & Capital to issue letters to current Directors requesting their resignations and to approve indemnification of liability in line with the Outside Bodies Protocol approved by Ethics Committee on 8th February 2023.
- 2.7** To delegate to Corporate Director of Resources (S151 Officer), in consultation with the Executive Mayor, Lead Member of Finance, Director of Legal Service and Director of Commercial Investment & Capital to appoint new Directors on the Board of the BBB.

3 Reasons for recommendations

- 3.1** The Council is committed to updating Cabinet on progress being made with regards to its wholly owned development company, Brick by Brick Croydon Ltd. This report will be the final standalone Cabinet report on Brick by Brick Croydon Ltd and it seeks the Executive Mayor in Cabinet's decision to agree that the final winddown process can begin and loan write off balance be agreed.

4 Background and details

- 4.1** The Council last updated Cabinet in July 2023 on plans and progress being made to dispose of all land and property assets owned by BBB.
- 4.2** BBB remains insolvent however the Council issued a new Letter of Comfort in December 2023 to the Company and its Directors to assure them and their auditors

that the company can remain a going concern. The Council continues to deliver on its plan to place BBB into a solvent position and which BBB will then be able to winddown.

- 4.3** The write off of the BBB loans will represent a loss of value to the Council and the costs of this write off will be paid for by the Council through its Minimum Revenue Provision. The impact of this will mean the Council diverting financial resources away from service delivery and into repaying the Council's borrowing that was taken out to fund BBB.
- 4.4** During the financial year 2020/21 the Council tested the market to sell the company and an offer was received from another Development company. As confirmed in the July 2021 Cabinet report on Brick by Brick, the Council rejected the offer as it resulted in a higher cost to the Council overall. The Council agreed to pursue a modified build out scenario of 23 sites and sell the remaining 6 undeveloped land site to the Council or in the market.
- 4.5** Under the part build out option the Council will have received a total of £119m in receipts from BBB, compared to a best-case projection under the sale option of £98.0m. Further analysis has been provided in confidential Appendix A.
- 4.6** The write off for the Council against the Company sale option would have been £90.7m compared to the worst-case scenario of £68m that is currently projected.

5 Operational Update

- 5.1** BBB currently has 3 employees of which one is on an interim part time basis with the Managing Director conducting much of the operations. At the time of writing this report BBB will therefore have 3 employees and 4 Directors. To support additional work related to defect queries coming through, BBB may consider additional interim staff appointments.
- 5.2** BBB's significant work currently includes supporting the sale of the Red Clover Gardens Site and deal with a number of defect queries coming through from disposals of various developments. Defects Management is time consuming, both in identifying, determining liability and rectifying defects, but also in terms of dealing with residents' complaints, which more and more are being escalated to councillors and MP's due to knowledge of the company's future.
- 5.3** It is difficult to forecast with any accuracy the total cost of defect resolution. The final end date for defects to be registered is not certain, but likely to be December 2025 for the 6 apartments at Drummond that are under offer at present. For the period 1 April & 1 July 2024 onwards, there will be about 65 private apartments still at risk of defects being notified. With the end dates flowing through until 2025.
- 5.4** The Council will need consider how best to deal with these warranties that BBB have provided to purchasers of its developments. Whilst, BBB has resources to manage these as part of its ongoing operations, once Red Clover Gardens has concluded, consideration will need to be applied as to resolving any remaining defect liabilities.

- 5.5** BBB are currently dealing with an average 10-15 new defect queries a week. The total number of defects unresolved is currently just under 200. These defects range from wobbly taps through to windows, doors or floors needing to be replaced.
- 5.6** The Council will identify resource to support the defects works in the event that liability is transferred to the Council.

6 Asset disposal update

- 6.1** Good progress has been made on disposal of Red Clover Gardens to Regen Capital however significant delays have been faced in completion of the sale.
- 6.2** At the time of writing of this report BBB are progressing the proposed transfer of Portland Place and Belgrave and Grosvenor assets to the Council. Once concluded the Council will transfer £2.071m to BBB and the two sites, at the Belgrave and Grosvenor estate in South Norwood, will transfer to the Council's HRA.
- 6.3** The total estimated remaining value of other 8 assets is c£2.3m. At the time of writing this report this included 3 residential apartments, 2 commercial units and 3 land sites. Excluding, the loan balance to the Council, the Company is currently holding onto estimated liabilities of £8m, but this excludes unknown claims to carry out any defects work to buyers who have acquired BBB properties. It is difficult to quantify the total cost of the defect liabilities as it depends on as and when issues are flagged by buyers.

7 Financial Update

- 7.1** BBB remains insolvent however is currently supported by the Letter of Comfort issued by the Council. The company however has repaid loans to the Council totalling £47.3m in 2022/23. This is in addition to the £30.4m that was repaid in 2021/22. The outstanding loan balance as at the end of March 2023 was £103.93m and all accrued interest upto March 23 has now been paid back to the Council.
- 7.2** Projections based on the latest management accounts submitted in December 23, by BBB indicate that a further £48m will be repaid back to the Council in principle loans and in interest income. As at end of December 2023, BBB had a total cash in bank of c£8.0m. The cashflow for BBB indicates that a further £48m in cash will be generated between December 2023 and March 2024. With further costs and retention refunds expected to be around £8m the net final cash payable to the Council will be c£48m.
- 7.3** This projection is based on all activity within BBB coming to a close by end of March 2024. Should this date be delayed then further operational costs will be incurred by BBB and therefore reduce the final amount of Loans paid back.
- 7.4** The £8.0m projection of costs are estimates by BBB and are inclusive of all, remedial works costs, winddown costs and repayment of existing creditors with known estimates of potential claims for defects from purchasers of BBB properties. It is expected that this provision of costs is on the high side and management of BBB will ensure that as much of this is protected to return to the Council.

- 7.5** Assuming the final loan balance and write off takes place by end of March and with the repayment of the £48m back to the Council under the existing facility agreement, the Council will receive £6.2m in interest revenue income and £41.8m will be paid back as principal payment. This will result in a final revenue income of £2.5m over the amount of interest income budgeted of £3.7m in 2023-24.
- 7.6** Since the review of Brick by Brick post the Report in Public Interest and PwC analysis, BBB generated a total of £158.6m in receipts of which the company has recycled £73.3m in receipts to complete remaining developments and cover operational costs. £77.7m has been paid back to the Council for interest and principal loan debt with the rest remaining as part of the bank balance indicated in paragraph 7.2.
- 7.7** As part of the final assets and liabilities assessment the Council will further review potential for any additional overage due to the Council as required to be tested under the Option Agreements. Option agreements stipulated that the Council should receive an additional share of any profits generated by each development that is above a pre-agreed value between the Council and BBB.
- 7.8** The Council has not lent any new funds to Brick by Brick and the company remains cashflow solvent and is successfully covering all its day-to-day operational needs. BBB continues to exit its liabilities where possible to minimise ongoing costs and retain more of the cash balance.

8 BBB Winddown Options

- 8.1** The intent has been to seek a final decision to winddown BBB and identify the debt write off balance. It was expected that by November 2023 that the Red Clover Gardens development would have been disposed, which would have allowed for clear set of recommendations to winddown.
- 8.2** Red Clover Gardens is a large site with material value, and it will be a challenge to transfer the asset to the Council particularly from an operational perspective. Good progress has however been made to complete the deal with Regen Capital with all headlease and underlease agreements at an advanced stage of being completed.
- 8.3** All options will require the Council to appoint two Council officers as Directors to BBB as current Directors and staff have indicated that they will end their contracts by end of March 2024. The appointment of Council officers as Directors of BBB will only be required if all activity has not been completed by March 2024. The appointment of these Directors will not follow the process set out in the November 2021 Governance Cabinet report, being a formal recruitment process, as BBB will be in a winddown position and therefore the expertise/ skills required are not the same as operating a business as a going concern.
- 8.4** On the premise that Red Clover Gardens site will be disposed to Regen Capital, the Council considered 4 options to winddown BBB. The total value of remaining properties

is c£2.3m with the majority of this value resting in the 3 unsold completed flats at Drummond and 2 commercial units.

8.5 In addition to the unsold assets the company has a number of liabilities, mainly to fulfil its obligations under the sale contract to manage and maintain defects within the first one or two years. Most defects will come to an end by December 2024 however in the event the 3 flats at Drummond are sold then the defect liability could extend to December 2025. The rest of liabilities will include potential staff redundancies payments and residual supplier balances such as accountant and legal fees. The cost of these has already been included within the £8.0m figure indicated in 7.4.

8.6 Under this scenario the Council has four options:

8.6.1 Option 1 – To transfer all assets and liabilities to the Council, make BBB solvent and winddown the company.

8.6.2 Option 2 – Transfer all assets to the Council, leave liabilities within BBB and place the company under a compulsory liquidation.

8.6.3 Option 3 – LBC as Lender place company under compulsory liquidation with both assets and liabilities remaining in the company.

8.6.4 Option 4 – Shareholder encourages the Directors to place the Company into voluntary liquidation once remaining loan is repaid.

8.7 Table below breaks down the benefits and risks of each option. The underlying factors for the Council to consider will be the potential impact on Directors and its own reputation due to BBB being closely associated with the Council. Option 2 to 4 in essence leaves all liabilities within the company and the Council would extricate itself from fulfilling key commitments to buyers of the properties sold by BBB. In order to protect its reputation and ensure the Council continues to support its residents along with providing support and cover to existing directors, it is recommended that Option 1 is pursued.

Winddown Options for BBB		
	Benefits	Risks
Option 1	1. Clean and timely winddown of BBB 2. Council obtains assets to use or dispose and generate capital receipt 3. Directors' positions not compromised	1. Council will need to resource and transferred defects liabilities work 2. Council responsible for any transferred claims from buyers

<p>Option 2</p>	<p>1. Council avoids all liabilities from the Company</p> <p>2. Council obtains assets to use or dispose and generate capital receipt</p>	<p>1. May compromise the Director's position due to not meeting certain criteria under insolvency</p> <p>2. Will impact on Council's reputation as Shareholder of BBB as creditors will be impacted (mainly buyers with defects)</p>
<p>Option 3</p>	<p>1. Clean and timely winddown of BBB</p> <p>2. All work including determining final payments to Council determined by the Insolvency Practitioner</p>	<p>1. Leakage via fees being paid to Insolvency Practitioner</p> <p>2. Will impact on Council's reputation as Shareholder of BBB as creditors will be impacted (mainly buyers with defects)</p>
<p>Option 4</p>	<p>1. Clean and timely winddown of BBB</p> <p>2. All work including determining final payments to Council determined by the Insolvency Practitioner</p> <p>3. Directors' position not compromised</p>	<p>1. Leakage via fees being paid to Insolvency Practitioner</p> <p>2. Will impact on Council's reputation as Shareholder of BBB as creditors will be impacted (mainly buyers with defects)</p>

9 Alternative Options Considered

- 9.1** The Council is considering an approach by Regen Capital to acquire the entity as a going concern. The process of due diligence is underway and should a reasonable solution be received from Regen Capital that will be considered under best value consideration for the Council as the Shareholder. However, should this option materialise, it will result in less assets back to the Council but the Council will also avoid taking on the liabilities.

10 Implications

10.1 FINANCIAL IMPLICATIONS

- 10.1.1** There are no new financial risks to the Council as a result of this winddown as the Council has fully covered the risk of the outstanding debt. The Council has fully provided for all the existing debt with BBB in the Council's Minimum Revenue Provision calculations, and therefore should any further payments made by BBB will simply improve the Council's position. However, even if no payment was made then the Council's position will not get worse financially as it is all provided for in current medium term financial plans.
- 10.1.2** Nonetheless, to help reduce the financial pressures faced by the Council it is imperative the Council receives the maximum cash back and minimises the amount of debt write off. The repayment of the debt balance of c£48m will help the Council with additional cashflow and the funds will be used to paydown the Capital Financing Requirement and help reduce the future Minimum Revenue Provision costs.
- 10.1.3** The option to sell the company will need to be assessed against the option of solvently winding the Company down and the best outcome should be pursued.
- 10.1.4** BBB's cashflow has a provision to cover remaining liabilities, however in the event this provision is not sufficient there is a risk that the write off amount will be more. However, as indicated in 10.1.1 this will not result in additional financial risk to the Council but will simply reduce the benefit achievable as less cash will be repaid back to the Council.

Approved by: Head of Corporate Finance on behalf of Allister Bannin, Director of Finance (5th February 2024)

10.2 LEGAL IMPLICATIONS

- 10.2.1 Powers**
- 10.2.2** Section 1 of the Localism Act 2011 states that a local authority "*has power to do anything that individuals generally may do*". This enables a local authority to act as though an individual with full capacity, unless otherwise expressly prevented or restricted by some other statutory provision. This power has underpinned prior decisions to establish and support BBB. Where the general power is relied on to carry out a commercial purpose of a local authority, that must be pursued through a limited company.
- 10.2.3** Therefore, under this general power the Council:

- may exercise its rights as Lender to BBB under the consolidated Facility Agreement to take the steps identified in this report; and
- may exercise its rights as the sole shareholder in BBB to take the steps identified in this report.

10.2.4 In doing so, the Council must be mindful of the Council's financial position, its fiduciary duty (see below) and the requirement to have regard to all relevant factors and to disregard irrelevant ones. In short, the Council must act in accordance with the principles of Wednesbury reasonableness, meaning to make decisions that a rational person might make, having regard to all relevant considerations. The Council, as Lender and Shareholder of BBB, should also have full regard to its fiduciary duties and act prudently.

10.2.5 The fiduciary duty of a council, exercised by its elected members, derives from case law (e.g. *Credit Suisse v Allerdale Borough Council*) such that 'fundamental to a public body's accountability is the care it exercises in handling public monies'. In a local authority context, this 'takes legal shape in the principle of their fiduciary duty to local taxpayers'. This is not a statutory requirement but an important principle of common law and one that is especially pertinent in this context.

10.2.6 In particular, Members should (i) weigh up the risks and benefits under the main options presented (as well as taking into account the other options that may be available but which are ruled out), (ii) take note of the risks under the recommended approach and especially the financial exposure by way of the writing off of a portion the consolidated loan made to the company.

BBB Articles of Association

10.2.7 Notwithstanding the fact that the day to day management of BBB is vested in the Board of Directors under BBB's articles of association, that function is subject to matters reserved to the Council for decision under the company's articles of association. The following is reserved to the Council, as Shareholder, under the BBB articles of association: "*Making any petition or passing any resolution to wind up the Company or making any application for an administration or winding up order or any order having similar effect in relation to the Company or giving notice of intention to appoint an administrator or file a notice of appointment of an administrator*".

10.2.8 That decision would be subject to the general decision-making factors referred to in this section of the Report, in particular to be based on consideration of relevant factors, and made with the Council's fiduciary duty in mind.

Voluntary liquidation and associated transactions

10.2.9 The Option 1 recommendation in this report is for a voluntary liquidation process. This can only happen if there are no liabilities in the company. If

liabilities remain, then, should a claim be made, the liquidator has the power of “claw back”. This means they can challenge transactions entered into by the company and recover property under the Companies Act 1993, for example by applying to the court to set aside transactions at an undervalue. It is therefore essential that the final assets and liabilities assessment is comprehensive with any liabilities either having been discharged or legally transferred to another entity.

10.2.10 The Option 1 recommendation will include transferring some assets and liabilities to the Council. Legal advice will be required once the scope becomes clearer and the Council will need to consider its Best Value obligations (see below), fiduciary duties (see above), procurement implications (if any contracts transfer) and subsidy control implications (see below).

10.2.11 The Council has previously entered into a number of its own transactions with BBB that it must also be considered. This will include any formal discharge of the Facility Agreement alongwith registered Charges at Companies House and the Land Registry; review of the various Option Agreements to ensure that the Council received best consideration for its previous property disposals; and, as Local Planning Authority, the discharge of any planning obligations under Section 106 Agreements.

Subsidy Control

10.2.12 The Council needs to have regard to its obligations under the subsidy control regime when deciding on the recommendations in this Report.

10.2.13 The Subsidy Control Act 2022 (the Act) provides a new framework for the provision of subsidies within the UK, building on the provisions in the subsidy control chapters of the Trade and Co-operation Agreement (TCA), which have applied in the interim of the UK’s exit from the EU. The Act took effect in January 2023 but the TCA is still relevant and the Act.

10.2.14 Under the Act, a subsidy is defined as:

- 2(1) In this Act, “subsidy” means financial assistance which—
- (a) is given, directly or indirectly, from public resources by a public authority,
 - (b) confers an economic advantage on one or more enterprises,
 - (c) is specific, that is, is such that it benefits one or more enterprises over one or more other enterprises with respect to the production of goods or the provision of services, and
 - (d) has, or is capable of having, an effect on—
 - (i) competition or investment within the United Kingdom,
 - (ii) trade between the United Kingdom and a country or territory outside the United Kingdom, or
 - (iii) investment as between the United Kingdom and a country or territory outside the United Kingdom.

10.2.15 Section 3 of the Act (Financial assistance which confers an economic advantage) explains how to determine whether financial assistance confers an economic advantage on an enterprise for the purposes of section 2(1)(b) above, and states:

10.2.16 (2) Financial assistance is not to be treated as conferring an economic advantage on an enterprise unless the benefit to the enterprise is provided on terms that are more favourable to the enterprise than the terms that might reasonably have been expected to have been available on the market to the enterprise.

10.2.17 Under the TCA, a subsidy is financial assistance which confers an economic advantage on one or more economic actors (in this case BBB), and “is specific, insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services, and has, or could have, an effect on trade or investment between the parties (meaning the UK and the EU). However, the Market Economy Operator Principle (MEOP) (referred to as the Commercial Market Operator Principle under the Act) is the principle that where a public authority does something on the same terms as a comparable economic actor would, then no subsidy arises because there is no specific ‘economic advantage’ to any other economic actor as a result.

10.2.18 In relation to subsidy control, therefore, the Council should act as a rational private-sector party would act (being sole shareholder and lender), and have followed previous financial advice identifying options that such a private sector party could rely on (i.e. focussed on how the Council may best recover the investment made to date alongside other relevant considerations such as the risks and timings involved). Once the final asset/ liabilities and debt write of position is known at the point of winddown, subsidy control implications will need to be considered further.

10.2.19 The Council is under a general Duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007)).

10.2.20 This report also includes recommended delegations and, if approved, any subsequent decisions will require consideration of any legal implications.

Comments approved by the Kiri Bailey Head of Commercial and Property Law on behalf of the Director of Legal Services and Monitoring Officer

10.3 EQUALITIES IMPLICATIONS

10.3.1 Under the Public Sector Equality Duty (PSED) of Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and how they commission and procure services from others.

10.3.2 Section 149 of the Act requires public bodies to have due regard to the need to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected. Characteristic
- Foster good relations between people who share a protected characteristic and people who do not share it.

10.3.3 An equality analysis has been carried out in respect of resident consultation at Regina Road. The data collected via the consultation at Regina Road indicates that the proposal will have a positive impact on age, disability, sex, race and religion and belief. This is a live document and will be updated with further data when available.

Approved by Denise McCausland Equalities Programme Manager, on 07/06/2023.

10.4 HR Implications

10.4.1 There are no immediate HR implications arising from this report. Should any future implications arise these will be managed under council policies and procedures. Any Council appointments of staff, as referred to in the body of the report, will be managed under the council's recruitment processes.

Approved by: Gillian Bevan, Head of HR Resources and Assistant Chief Executives directorates on behalf of the Chief People Officer. 21/11/23

11 Background documents

- 11.1** Governance of Brick By Brick Croydon Ltd – **15th November 2021**
- 11.2** Wholly Owned Housing Company – an Option for Tackling the Shortage of Homes in Croydon – **29th September 2014**
- 11.3** Brick by Brick Croydon Ltd Update Report – **30th November 2022**
- 11.4** Delegated Decision - Acquisition of Land sites, Regina Road and Malton House, from Brick by Brick Croydon Ltd - **15th March 2023**
- 11.5** Delegated Decision - Increasing Housing Supply - purchase of Brick-by-Brick Trellis Mews (Avenue Road) – **23rd March 2023**
- 11.6** Delegated Decision, acting as lender, to approve that Brick by Brick may dispose of Block B, Heathfield Gardens development with a further price reduction as detailed in Part B of the report. – **March 2023**
- 11.7** Delegated decision, acting as lender, on Warminster and Drummond Road development – **May 2023**
- 11.8** Brick by Brick Croydon Ltd Update Report and land acquisition by HRA – **26th July 2023**

12 Appendices

- 12.1 Confidential Appendix A** – Financial return Comparison between Sale of BBB vs Part Build Out