



Report subject	<b>BCP FuturePlaces Ltd - Appointment of Independent Chair and Non-Executive Directors (NEDs)</b>
Meeting date	7 September 2022
Status	Public Report
Executive summary	<p>In May 2021, the Council approved the formation of BCP FuturePlaces Ltd, (“FuturePlaces”) a wholly owned Urban Regeneration Company (URC). The fundamental purpose and principles of FuturePlaces is to drive placemaking, regeneration, and property market transformation both across key sites owned by the Council and the wider area to support the aspirations set out in the Council’s Big Plan.</p> <p>The business plan for FuturePlaces sets out the intention to appoint both an independent Chair and further non-executive directors (NEDs) to the company board as part of the company governance structure.</p> <p>Appointment of directors is a Shareholder reserved matter under the Shareholder’s Agreement. This report sets out the process that has been undertaken to identify an independent Chair for the company and makes a recommendation to the Shareholder to appoint Lord Kerslake to that position.</p> <p>Upon the appointment of the independent Chair, the Deputy Leader of the Council will step down as Chair of the company board.</p> <p>This report also sets out the intention to appoint two additional independent NEDs to the company board.</p> <p>Once the additional NEDs have been appointed the Leader will step down from his role as a non-executive Director of the company.</p>
Recommendations	<p>It is <b>RECOMMENDED</b> that Cabinet:</p> <p>(a) <b>Recommend that Council confirms the appointment of Lord Kerslake to the position of independent Chair of the BCP FuturePlaces Ltd company board, and for him to take up that position at the next FuturePlaces board meeting.</b></p> <p>(b) <b>Recommend that Council delegates the appointment of two further independent NEDs to the Chief Executive</b></p>

	<p><b>of BCP Council, as Shareholder Representative, in consultation with the new independent Chair of BCP FuturePlaces Ltd and bring details of those appointments back to council for information.</b></p> <p><b>(c) Recommend that Council approves the resignation of Councillor Phil Broadhead from the board upon the appointment of Lord Kerlake, and the resignation of Councillor Drew Mellor upon the above appointments having been made.</b></p>
<p>Reason for recommendations</p>	<p>To contribute to the Council's Corporate vision, helping to create dynamic places, investing in the homes our communities need, revitalising and re-inventing our high streets and local centres in line with the vision set out in the Big Plan.</p> <p>FuturePlaces was formed to ensure BCP Council has the capacity, expertise, and resources to drive investment in regeneration and unlock value from major Council owned sites; it will also enable BCP Council to ensure the delivery of new homes and to create well designed local neighbourhoods.</p> <p>The appointment of an independent Chair and two further NEDs to the board of FuturePlaces will:</p> <ul style="list-style-type: none"> <li>• enhance governance by providing independent expertise, focus and scrutiny to FuturePlaces company board and business activities</li> <li>• further enhance the company's in-depth knowledge of regeneration</li> <li>• increase breadth of network within both local and central government, and the wider regeneration sector.</li> </ul> <p>The appointment and removal of directors from the Company board is a reserved matter as set out in the Shareholder's Agreement and requires Council approval.</p> <p>The delegation of authority to appoint the two further NEDs to the Chief Executive and the independent Chair will allow the Leader and Deputy Leader to step down from their current roles.</p>

Portfolio Holder(s):	Councillor Drew Mellor, Leader of the Council and Portfolio Holder for Finance and Transformation Councillor Philip Broadhead, Deputy Leader of the Council and Portfolio Holder for Regeneration, Economy, and Strategic Planning
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Sarah Longthorpe, Director of Delivery - Regeneration Sarah Good, Head of Delivery - Regeneration
Wards	Council-wide
Classification	Recommendation

## Background

1. In May 2021, Cabinet approved an innovative approach to delivering regeneration and development across Bournemouth, Christchurch, and Poole.
2. This saw the creation of the Council's Urban Regeneration Company (URC), FuturePlaces, which has been tasked with driving the regeneration of strategic sites across the BCP area with a gross development value of £3bn and the potential to create around 3,500 new homes.
3. FuturePlaces has been set up to address capacity and skills gaps in the Council's staff resources by employing the expertise needed to bring complex sites forward at pace. The company is led and managed by an experienced executive team that provide dedicated and focussed leadership.
4. On 27 October 2021, Cabinet approved the original FuturePlaces Business Plan, which has since been superseded by the FY22/23 Business Plan which was approved by Council on 12 July 2022. The approved FuturePlaces Business Plan sets out the strategic direction and operation activity of the company along with the governance structure which requires the appointment of an independent Chair and two NEDs. The appointment of these roles will allow both the Leader and Deputy Leader to step down from their current positions.
5. This will mean that once the Chair and NED appointments are complete, the board will comprise five directors. The BCP Council Chief Executive, or his representative, will continue to serve as a board observer in his capacity as BCP Council Shareholder Representative. This is an amendment to the structure detailing the board membership in section 4.4 of the approved business plan.

## Independent Chair and NED Recruitment Process

6. Recruitment agency Berwick Partners was appointed by FuturePlaces to manage the NED recruitment process for the advertising and selection of BCP FuturePlaces Chair and NED roles.
7. Berwick Partners, part of Odgers Berndtson the UK's leading and largest Executive Search Firm, focuses on Senior Leadership roles within the private and public sector. They were selected based on their successful track record within

the specific sector of urban regeneration companies, and their ability to access and attract exceptional candidates from a range of organisations.

8. A benchmarking exercise was undertaken by the agency of other local authority trading companies (LATCs), development corporations, and LEPs to assist with building a comprehensive picture and advise on the role and an appropriate level of remuneration.
9. The opportunity was advertised on the agency website and a variety of other websites such as The Guardian, LinkedIn, WomenonBoards, NonExecutiveDirectors.com, BCP Council website and The NED Exchange to ensure the widest possible reach and to ensure that the opportunities attracted strong interest from a diverse range of high calibre applicants.
10. Berwick Partners also used their experience and expertise to make targeted approaches to other suitable candidates with relevant experience.
11. Following the successful recruitment campaign, Berwick Partners screened and interviewed applicants using agreed criteria, resulting in a longlist of recommended candidates. Three of these candidates were short-listed for interview by the Managing Director (MD) and Chief Operating Officer (COO) of FuturePlaces for the position of Chair. All three were high calibre individuals with relevant backgrounds and experience in placemaking and regeneration.
12. The short-listed candidates were interviewed by the MD and COO resulting in the recommendation of Lord Kerslake as the preferred candidate for Chair.
13. Lord Kerslake was also interviewed by a panel consisting of FuturePlaces board members Councillor Drew Mellor, Councillor Phil Broadhead, and Graham Farrant, BCP Council's Chief Executive, on 25 July 2022. This panel supported the recommendation to appoint Lord Kerslake as independent Chair.
14. An introductory meeting also took place on 15 August between Lord Kerslake and Cllr Vikki Slade, Leader of the Opposition.
15. Lord Kerslake became Permanent Secretary for the Department for Communities and Local Government (DCLG) on 1 November 2010. He was also Head of the Civil Service from January 2012 to September 2014. His previous roles include:
  - Chief Executive of the Homes and Communities Agency, the national housing and regeneration agency for England
  - Chief Executive of Sheffield City Council,
  - London Borough of Hounslow as Director of Finance and a further seven years as Chief Executive.
16. Lord Kerslake has also been a non-executive board member at DCLG and was a member of both the Equalities Review Panel and the National Employment Panel. Lord Kerslake was knighted for services to Local Government in 2005 and made a Life Peer, taking the title Baron Kerslake, in 2015. A more detailed biography of Lord Kerslake is attached at Appendix A.
17. The Chair, in particular, will be expected to use his professional contacts to further the network of the company, to supervise delivery of strategic objectives, and to test the appropriateness of governance structures.
18. The recruitment of two further NEDs has been halted temporarily to enable Council to approve the appointment of Lord Kerslake as independent Chair of BCP FuturePlaces.

19. If the recommendations are approved the Chief Executive of BCP Council, as Shareholder Representative, and the new independent Chair will select appropriate candidates for the remaining two NED positions, following an appropriate recruitment and selection process, and bring details of those appointments back to the council for information.

#### **Summary of financial implications**

1. It is proposed that the Chair and NED posts will be remunerated and as previously stated, the level of remuneration has been benchmarked considering the time commitment and the start-up and growth nature of FuturePlaces to determine best value.
2. The comparable remuneration ranged from £18-30k for Chair roles and £8-15k for NED roles, the proposed appointments fall within this range and have been included within FuturePlaces budget – approved by Cabinet and Council as part of the Business Plan.

#### **Summary of legal implications**

3. FuturePlaces is a wholly owned Council company operating under the TECKAL exemption. The governance arrangements between the Council and the company are managed through a suite of legal documents.
4. FuturePlaces Articles (Article 9) permit the Controlling Shareholder (BCP Council) to appoint and remove Directors by notice in writing to the Company.

#### **Summary of human resources implications**

5. As FuturePlaces has its own employment terms and conditions and payroll arrangements there are no other human resource implications for BCP Council as a result of the appointment of company NEDs.

#### **Summary of sustainability impact**

6. The appointment of experienced NEDs to FuturePlaces will support the company to play a key role in ensuring that opportunities are taken to reduce Bournemouth, Christchurch, and Poole's carbon footprint by providing sustainable transport choices and delivering low carbon, energy efficient buildings. They will aim to lead by example developing cleaner supply chains building local capacity to take forward the carbon reduction agenda.
7. A Decision Impact Assessment (DIA) was completed in relation to the creation of the URC and sustainability feedback from officers across the Council was used to inform the requirements set out in the approved Council Commissioning Plan. Projects and programmes delivered by FuturePlaces will be subject to further assessment as part of the business case development process to ensure that individual schemes meet the required standards.

#### **Summary of public health implications**

8. By accelerating regeneration and investment there will be a better prospect of sustaining jobs and prosperity across the BCP area, improving housing and high-quality open spaces, with well designed, walkable, inclusive neighbourhoods that help promote health and well-being.

9. FuturePlaces will aim to produce developments that place a premium on quality-of-life considerations including safe, walkable neighbourhoods with good local amenities and access to quality green and open space.

### **Summary of equality implications**

10. Recruitment agency Berwick Partners was appointed by FuturePlaces to manage the NED recruitment process. Berwick Partners, part of Odgers Berndtson the UK's leading and largest Executive Search Firm, focuses on Senior Leadership roles within the Private and Public sector. They were selected based on their successful track record within the specific sector of urban regeneration companies and their ability to access and attract exceptional candidates from a range of organisations and backgrounds.
11. Berwick Partners have a strong commitment to diversity and inclusion – and provide consultancy services in this field. They actively help their clients to address diversity challenges through inclusive searches.
12. More detail can be found on their website: [Berwick Partners - Senior management and leadership recruitment](#).
13. The appointment of NEDs with a track record of regeneration delivery will provide additional resource and expertise to support FuturePlaces in their stewardship approach to ensuring the delivery of much needed housing and the creation of sustainable, well-designed, and inclusive local neighbourhoods.
14. The recommended candidate for the independent Chair position has been a non-executive board member at DCLG and was a member of both the Equalities Review Panel and the National Employment Panel and will bring a wealth of experience to the FuturePlaces company board.
15. Full Equalities Impact Assessments will be undertaken for individual sites as developments are progressed.

### **Summary of risk assessment**

16. The appointment of an experienced Chair and NEDs onto the board will provide independent scrutiny and oversight of the governance of the company.
17. The relationship between the client team and FuturePlaces will be guided by the terms of the Commissioning Contract and related agreements including the requirement for the company to develop and maintain a risk register for its key projects and activities.

### **Background papers**

27 October 2021 Cabinet Report - BCP Commissioning Plan for Regeneration and Development and Urban Regeneration Company Business Plan

<https://democracy.bcpCouncil.gov.uk/documents/g4837/Public%20reports%20pack%2027th-Oct-2021%2010.00%20Cabinet.pdf?T=10>

2 June 2022 Cabinet Report - BCP FuturePlaces Ltd - Revised Business Plan and Funding mechanism

[BCP Futureplaces Ltd - Revised business plan and funding mechanism.pdf](https://bcpcouncil.gov.uk)  
([bcpcouncil.gov.uk](https://bcpcouncil.gov.uk))

## **Appendices**

Appendix A – **Lord Kerslake Bio**

## **Appendix A - Lord Kerslake Bio**

Lord Kerslake is a former Head of the Civil Service and led the Department for Communities and Local Government (DCLG) from November 2010, stepping down in February 2015. Prior to this, he was the first Chief Executive of the Homes and Communities Agency. Lord Kerslake is currently the Chair of Peabody, Chair of Be First (Barking and Dagenham Council's regeneration company), Chair of the London Collective Investment Vehicle (London CIV), Chair of Sheffield Theatres, Chair of Sheffield Hallam University, Chair of the Centre for Public Scrutiny (CfPS), Chair of the New Economics Foundation and President of the Local Government Association (LGA), and Chair of Stockport Mayoral Development Corporation.

In addition, he Chairs the UK2070 Commission, an independent inquiry into city and regional inequalities in the UK, set up to conduct a review of the policy and spatial issues related to the UK's long-term city and regional development. Lord Kerslake is a member of a number of Boards and groups, including ENGIE UK's Advisory Board, the Housing Finance Institute's Board, the Raynsford Review Taskforce and the Cambridge Whitehall Group.

Before joining the Civil Service Lord Kerslake received a knighthood for his services to local government, spending eight years serving the London Borough of Hounslow and then a further 11 years leading Sheffield Council. In early 2015, he was made a life peer, taking the title Baron Kerslake, of Endcliffe in the City of Sheffield.