

## **BCP FUTUREPLACES LIMITED – GOVERNANCE REVIEW**

### **BACKGROUND AND SCOPE**

As part of the Board's broader review of FuturePlaces, I have undertaken a review of certain governance aspects. As outlined in Lord Kerslake's email to the FuturePlaces Board dated 18 April 2023, I have approached the review as a stocktake, rather than a comprehensive review and have focused on considering lessons learned over the first year of operation, and on considering how the original operational model (developed before the company commenced) and practice can be improved upon, and adapted to present operational and market conditions.

In undertaking my review, I have met with: Graham Farrant (Chief Executive, BCP Council), Julian McLaughlin (Service Director – Infrastructure, BCP Council), Sarah Good (Head of Delivery – Regeneration, BCP Council), Cllr Phil Broadhead (former Leader, BCP Council), Gail Mayhew (MD, FuturePlaces), Craig Beevers (COO, FuturePlaces) and Rob Dunford (Corporate, Business Case & Commercial Manager, FuturePlaces). My sincere thanks go to all who have taken part for their assistance with this review.

I have additionally been provided with, and reviewed relevant sections of, several documents including: BCP Urban Regeneration Company Commissioning Plan; Smart Growth Associates Review of Business Model of BCP FuturePlaces; FuturePlaces Business Plan 2021/23 (October 2021); FuturePlaces Business Plan Refresh (May 2022); FuturePlaces Annual Review 2022-23; FuturePlaces Headline Programme; FuturePlaces Governance & Reporting Schedule & Terms of Reference; FuturePlaces-Members Engagement Forum (MFEF) Terms of Reference.

### **SUMMARY FINDINGS**

There was general consensus that there is genuine need for FuturePlaces and, in particular, the specialist regeneration and private sector real estate expertise and experience which FuturePlaces brings. It was observed that there were good levels of engagement between FuturePlaces and relevant departments within BCP Council, as well as stakeholders in the BCP community and more broadly (eg Homes England). There was a strong desire, from everyone I spoke to, for FuturePlaces to be successful in delivering much-needed regeneration for Bournemouth, Christchurch and Poole.

It was a recurring theme in the conversations I had that there was lack of a shared vision and alignment on the aims & objectives of FuturePlaces. It was generally acknowledged that the operational model under which FuturePlaces is currently operating is quite different to the model devised at inception and, as a result, there is a lack of clarity and consistency between BCP Council and FuturePlaces on, amongst other things, respective roles & responsibilities, and commissioning & funding processes and procedures. It was felt that now was an opportune moment to "reset" on these various aspects.

Although not the focus of my review, issues were raised in relation to the breadth of work being undertaken by FuturePlaces. Concerns were raised as to the capacity within BCP Council and FuturePlaces – from both a resource and funding perspective – to deliver all the projects currently being worked on.

### **MOVING FORWARD**

I have set out below, for consideration and discussion, some observations and suggestions arising from my review.

1. **Aims & Objectives:** The current lack of alignment on the aims & objectives of FuturePlaces is problematic and should be addressed. There would be benefit in the BCP Council and FuturePlaces teams working together to reach agreement on a short and simple statement of the Purpose, Aims & Objectives for FuturePlaces. This statement should align with and support the delivery of the

Regeneration Strategy of the in-coming BCP Council Leadership and should recognise FuturePlaces's status as a wholly-owned Teckal company of BCP Council.

2. **Roles & Responsibilities:** Similarly, the current lack of clarity and consistency in relation to respective roles & responsibilities is giving rise to frustration and the potential for duplication in some areas and gaps in resource in other areas. Included within the output from (1) above should be a clear articulation of the respective roles & responsibilities of FuturePlaces and each of the relevant departments and functions within BCP Council. This should address, amongst other things, which matters are within (and what is out-with) the scope of FuturePlaces; the support and resource to be provided by BCP Council departments and functions to FuturePlaces; and respective roles & responsibilities with respect to the commissioning process (see further on commissioning at (3) below). Once projects are commissioned, there would be merit in establishing project-specific roles & responsibilities using a RACI matrix or similar tool to provide clarity and streamline decision-making at project level.
3. **Commissioning:** The intended process and framework for commissioning is set out in the BCP Urban Regeneration Company Commissioning Plan. My observations on the Commissioning Plan are as follows:
  - (a) It is not clear to me, from the conversations I had, that the structure, framework and principles set out in the Commissioning Plan have been consistently implemented.
  - (b) There are a number of aspects of the Commissioning Plan which are out of date or require refreshing, for example, to ensure alignment with the Regeneration Strategy of the in-coming BCP Council Leadership, and the current structure and resource within the Client Team.
  - (c) A key area which is out of date and requires updating is Section Three on Financial Strategy. I am aware that a separate review is being undertaken to consider appropriate funding models.
  - (d) The Commissioning Plan makes reference to a Commissioning Agreement and Resource Agreement as key documents which underpin the smooth functioning of the Commissioning Plan. As far as I understand, neither the Commissioning Agreement nor the Resource Agreement have as yet been entered into.
  - (e) The Commissioning Plan includes, as FuturePlaces's Initial Workplan, a list of 20 Site-specific and Thematic Projects, as well as a number of Cross-Cutting Strategic Initiatives. Given current capacity within BCP Council and FuturePlaces, from both a resource and funding perspective, this list should be significantly rationalised down to focus on a small number of priority projects which can be seen through to delivery. For each of these priority projects, a clear scope, budget, deliverables, timeline and key milestones should be agreed; and a change control process established and adhered to.

The critical importance of having a workable, robust and transparent process for commissioning and funding the work of FuturePlaces is self-evident, and yet appears to be lacking. Once this process is defined and in place, it should be strictly adhered to.

4. **Ways of working:** I am aware that Ways of Working exercises have previously been undertaken between FuturePlaces and BCP Council teams and that formal and informal collaborative working practices have been put in place. Given the importance of ensuring continuous and effective communication, collaboration and cooperation between FuturePlaces and BCP Council teams, these ways of working practices should be kept under review and regularly discussed and refreshed to ensure they continue to remain relevant and fit for purpose.