

AUDIT & GOVERNANCE COMMITTEE



Report subject	Review of BCP FuturePlaces Limited
Meeting date	20 March 2025
Status	Public Report
Executive summary	Following the Committee's debate on 28 November 2024, and 27 January 2025, the purpose of this report is to provide an overview of BCP FuturePlaces Limited from its inception to the most recent decision making relating to shareholder governance in so far as it relates to BCP Council
Recommendations	It is RECOMMENDED that: Audit & Governance Committee considers the details provided and takes a view as to next steps
Reason for recommendations	This is in accordance with the recommendations of the Audit & Governance Committee on 28 November 2024 and 27 January 2025.

Portfolio Holder(s):	Not applicable
Corporate Director	Janie Berry, Director of Law and Governance and Monitoring Officer
Report Authors	Janie Berry, Director of Law and Governance and Monitoring Officer
Wards	All Wards
Classification	For Decision

Background

1. Following debates on 28 November 2024, and 27 January 2025, the Audit and Governance Committee has asked for a briefing relating to BCP FuturePlaces Limited.
2. With reference to the ambitions sighted in the “The Big Plan”, the Council’s Vision for the Future approved by Cabinet and Council in February 2021, Cabinet made recommendations to deliver on “The Future of Regeneration in Bournemouth, Christchurch and Poole in March 2021.
3. In May 2021, Cabinet recommended the establishment of an Urban Regeneration Company. This urban regeneration company became known as BCP FuturePlaces Limited.
4. The Council established a Shareholder Agreement in relation to BCP FuturePlaces Limited on 22 January 2022. The initial directors appointed to the Board of BCP FuturePlaces Limited were Councillor Philip Broadhead, appointed as the Chair of the Board, former Councillor Drew Mellor and Graham Farrant, Chief Executive of BCP Council. Councillors and Officers appointed to the Board for BCP FuturePlaces Limited did not receive any additional remuneration or reward from the company for their services. The following table details the directors and non-executive directors during the lifetime of BCP FuturePlaces Limited.

NAME	ROLE	DATE OF APPOINTMENT (details from Companies House)	DATE APPOINTMENT ENDED (details from Companies House)
Councillor Philip Broadhead	Chair (until the appointment of Lord Kerslake) and Director	01.10.2021	08.11.22

Councillor Drew Mellor	Director	01.10.2021	19.01.2023
Graham Farrant	Director (until the Executive Team was appointed)	18.06.2021	31.01.2022
Gail Mayhew	Director	27.01.2022	31.10.2023
Craig Beevers	Director	27.01.2022	09.10.2023
Lord Kerslake	Chair and Director	01.10.2022	11.07.2023
Pat Hayes	Non-Executive Director	19.01.2023	09.02.2024
Karimah Fahmy	Non-Executive Director and Chair following the death of Lord Kerslake	13.02.2023	09.09.2024
Ian Marcus	Non-Executive Director	13.02.2023	09.02.2024
Chris Shepherd	Director	09.01.2024	To the close of the company on 17.12.2024

5. BCP FuturePlaces Limited had its first Board of Directors meeting on 29 October 2021 and then continued to meet until the closure of the company on 17 December 2024.
6. Appendix One to this report provides a chronology of BCP Council's decision making as it relates to BCP FuturePlaces Limited and latterly the Council's approach to shareholder governance.

7. Appendix Two to this report provides a chronology of the governance documents published which reference BCP FuturePlaces Limited.
8. Appendix Three to this report provides a chronology of the agenda and minutes for Board Meetings of BCP FuturePlaces Limited.

Next Steps for the Committee and options for consideration

9. In view of the comments made by members of the Committee in November 2024, and January 2025, it is proposed that the Committee reviews the documents provided in Appendices One, Two and Three so that an effective scoping document can be produced which focuses on areas of concern the Committee may have. The Committee must then decide how it wants to move forward and what if any issues remain unresolved by the Council and what is it that the Committee seeks to achieve by progressing with an investigation. The intention of this report is to assist the Committee in deciding its preferred course of action by setting out the criteria that the Committee will need to take into account in defining their requirements for the requested investigation in order to protect the Council and Committee's interests and to ensure that the principles of natural justice are maintained.
10. As the purpose of the Audit and Governance Committee is to seek assurance and promote good governance across the organisation it would be unusual, but not impossible, for the Committee to undertake its own investigation. Therefore, the Committee could consider the following options:
 - a) Propose an independent investigation. This would involve identifying and appointing an independent person to lead the work and report to the Committee at a date to be identified. However, it is unlikely an independent investigation would have the authority to require the attendance of witnesses as initially suggested by Councillor Beesley.
 - b) Propose a review. Appoint an independent person or organisation, for example External Audit, to undertake a review of the work undertaken to date by BCP Council and provide an evaluated assessment for the Committee to consider.
 - c) Refer the matter to Overview and Scrutiny Board with a request that this piece of work is added as a priority to its work programme.
 - d) Other option the Committee feels suitable to address its concerns
11. Before any decision as to the way forward can be agreed, there are many issues the Committee may wish to consider as all proposed ways forward are resource-intensive and are likely to require Cabinet approved funding, based on a detailed business case, before they can commence. It should be noted that the Committee does not have an allocated budget.
12. Based on the principles of natural justice and the Inquiries Act 2005, the Committee may wish to consider the following factors to assist with its decision-making process:
 - What is the desired outcome of the Committee's investigation?
 - What is the agreed scope of the investigation?
 - What resources are required to support the Committee's intentions, noting that Cabinet-approved funding may be necessary?
 - What is the timing of any proposed investigation?

- The Committee should ensure that proceeding with the investigation does not impact any ongoing or contemplated proceedings or litigation. Officers can provide advice on this matter.
- Does the Committee have sufficient independence and quoracy to proceed with the investigation?
- What is the proposed process for conducting the investigation?
- How will the Committee collate and agree on the final schedule of documents relevant to the investigation?
- How will the Committee determine the list of required witnesses, and how will it share the evidence with them?
- If witnesses are to be called, how will the Committee support their attendance? Witnesses may require independent legal representation, which may need to be funded by the Committee.
- The Committee should demonstrate fairness in its approach to evidence and witnesses.
- Potential conflicts of interest for Councillors with prior knowledge or involvement in BCP FuturePlaces Limited should be managed.
- The costs of the investigation are likely to be significant and may not be currently budgeted for by the Council. It is likely that the Committee will require external legal and financial advisors, which will need to be funded.
- The Committee must decide how much time it will allocate to this work, including time for evaluating evidence and report writing.
- The Committee should be aware of the risk of judicial review if the process is perceived as procedurally unfair or if there is a vires risk. Any application would be costly, and the Committee would need to establish its defence and seek external representation.

Options Appraisal

13. Whilst the Audit & Governance Committee can note and consider the options detailed in the body of this report and take into account other alternatives, it also has the option not to take any further steps in this matter and accept that sufficient action has already been taken by BCP Council to address previously published weaknesses based on the documentation presented at Appendices One, Two and Three.

Summary of financial implications

14. The Audit & Governance Committee does not have its own allocated budget and therefore a business case setting out the resource needs and how it will be funded for any planned investigation will need to be approved by Cabinet.

Summary of legal implications

15. There are a number of legal implications referenced within this report however care must be taken to ensure any proposed activity is procedurally fair and transparent

and not present as a vires risk. The Inquiries Act 2005, whilst a useful reference, is not applicable to local authority investigations and inquiries. In respect of the role and functions of the Audit and Governance Committee, the Committee must operate within its terms of reference as outlined within BCP Council Constitution. For additional guidance, the Committee is invited to consider the national guidance produced by the Centre for Governance and Scrutiny which for ease is included at Appendix 4 of this report and that produced by CIPFA which is produced at Appendix 5 of this report.

Summary of human resources implications

16. There may be implications depending on the views taken by the Committee as to next steps.

Summary of sustainability impact

17. None directly arising from this report

Summary of public health implications

18. None directly arising from this report

Summary of equality implications

19. None directly arising from this report

Summary of risk assessment

20. None directly arising from this report but a variety of risks may arise during the course of the work envisaged by the Committee which will need careful evaluation and mitigation as and when they arise.

Background papers

BCP Council Constitution – terms of reference of the Audit & Governance Committee;

Audit & Governance Committee – 28 November 2024, Agenda, reports and Minutes

Audit & Governance Committee – 27 January 2025, Agenda, reports and Minutes

Appendices

Appendix One - chronology of BCP Council's decision making as it relates to BCP FuturePlaces Limited and latterly the Council's approach to shareholder governance

Appendix Two - chronology of the governance documents published which reference BCP FuturePlaces Limited

Appendix Three - chronology of the agenda and minutes for Board Meetings of BCP FuturePlaces Limited

Appendix Four – Centre for Governance and Scrutiny – Audit Committees and Scrutiny Committees: working together [CfGS-Audit-and-scrutiny-v2.pdf](#)

Appendix Five – CIPFA: the audit committee and organisational effectiveness in local authorities [Local authority audit committees](#)