

PORTFOLIO HOLDER DECISION RECORD



Report subject	Funding of BCP FuturePlaces
Decision maker	Cllr Drew Mellor – Leader and Portfolio Holder for Finance and Transformation
Decision date	16 May 2022
Decision taken	Approve the carry forward of resources that Council previously allocated to regeneration from 2021/22 to 2022/23.
Reasons for the decision	Council at their meeting in July will be asked to consider a revised business plan and funding model for BCP FuturePlaces Ltd. The purpose of this decision is to agree some transitional arrangements to enable an orderly movement between the current and the proposed funding model.
Call-in and urgency:	5-day call-in expires 30 May 2022
Corporate Director	Chief Executive
Responsible officer	Adam Richens
Wards	Council-wide
Status	Open
Background	<p>The 2022/23 Budget Report approved by Council on the 22 February 2022 was drafted on the assumption that Council would subsequently endorse a revised approach to the funding of the council's urban regeneration company (BCP FuturePlaces). Section 45 of the reports reads as follows.</p> <p><i>The 2021/22 budget previously assumed BCP FuturePlaces would provide development advice funded via an ongoing contractual agreement, with regular revenue payments to them. Following a review of similar practice elsewhere, an alternative mechanism is being proposed whereby payment is based on the successful outcomes of the development advice received. This new approach from 1 April 2022, means BCP FuturePlaces require a working capital loan from the council in the first instance to cashflow their activity prior to presenting a revised Business Plan and individual business cases to Cabinet, and potentially Council, for approval. The working capital loan facility will allow funds to be borrowed up to a maximum of £8m. Upon successful approval of these business cases by the council, BCP FuturePlaces will be entitled to invoice the council for their professional development advice and consequently receive payment. This inflow of income will enable BCP FuturePlaces to repay its debt if appropriate. Where the council is purchasing</i></p>

	<p><i>professional advice directly linked to a specific asset it will be able to capitalise the cost.</i></p> <p>The intention had been that BCP FuturePlaces would present their revised business plan to Cabinet in April with May Council being asked to agree the revised arrangements.</p> <p>The latest Cabinet Forward Plan indicates that the report will now be presented to its June meeting with Council in July being asked to agree the revised arrangement.</p> <p>As the 2022/23 budget framework made no provision for any payments, other than on the new arrangement, then consideration needs to be given to the resources needed to cover their costs before the new working capital loan facility is approved.</p> <p>Further to Cabinets consideration of an “Accelerating regeneration and investment in the BCP area” report on the 29 September 2021, Council in November 2021 agreed to allocated £3.024m towards regeneration development costs (excluding the £380k allocated to support the development of the seafront). Of this sum £1.497m is available for carry forward. The proposal is to make £647k available to BCP FuturePlaces in 2022/23 as part of the transition to their new funding arrangement.</p> <p>These resources will be made available to the BCP Council Director Delivery – Regeneration and any underspend by BCP FuturePlaces in the transition period will be made available back to the council.</p>
Options appraisal	<p>The alternative, do nothing option, would mean that no payments to BCP FuturePlaces are made until the new business plan is signed off. This would cause the company cashflow difficulties and delays to the delivery of the Councils regeneration ambitions.</p> <p>A second alternative would be to make a lower amount of £382k available in line with the minimum anticipated amount to cover the period in question. Again, this would impact on the delivery of the council’s regeneration ambitions.</p>
Consultation undertaken	<p>The following Officers have been consulted.</p> <p>Gail Mayhew – Chief Executive BCP FuturePlaces</p> <p>Graham Farrant – Chief Executive BCP Council</p> <p>Sarah Longthorpe – Director Delivery - Regeneration</p>
Financial/Resource implications	<p>The decision is considered not to prejudice the subsequent decision of Council.</p>
Summary of legal implications	<p>The carry forward of revenue amounts between years is governed by Part D (Financial Monitoring and Control) of the BCP Council Constitution Financial Regulations. Paragraph 15 provides that any such carry forward must be deemed necessary by the Chief Finance Officer in the context of the Medium-Term Financial Plan.</p>
Summary of sustainability impact	<p>Not applicable.</p>

Summary of public health implications	No applicable.
Summary of equality implications	Not applicable.
Summary of risk assessment	Not applicable.
Conflicts of interest declared by Cabinet member consulted on this decision	<p>Drew Mellor Phillip Broadhead Directors of BCP FuturePlaces Ltd</p> <p>Executive decisions made by individual members of local authority executives (Portfolio Holder decisions) are prescribed decisions for the purposes of section 9G(4) of the Localism Act 2000 which means that there is a duty to keep a written record of these decisions which must contain, inter alia, the reasons for the decision, the alternative options considered and a record of any conflict of interest declared by the Portfolio Holder and which relates to the decision.</p> <p>Reg 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 also includes the requirement that, where such conflict has been declared, the decision record must include a note of dispensation granted by the relevant local authority's head of paid service.</p> <p>Chief Executive comment: I have reviewed the conflicts of interest that have been declared on this decision. There is an identified potential conflict of interest from Cllrs Mellor and Broadhead in taking this decision, which is not a Disclosable Pecuniary Interest, but has correctly been entered in the register of "Other Interests" as required by the Code of Conduct in the BCP Council Constitution. Their positions on the BCP FuturePlaces Board have the potential to fetter the proper exercise of their decision-making about the company while acting in their Council roles, which has been recognised.</p> <p>The proposed decision is a prescribed decision under the Localism Act 2000 which means that it needs to comply with the requirements set out in the legislation and in the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.</p> <p>Having considered the issues, I am prepared to grant a dispensation for this decision to be taken by Cllr Mellor. BCP FuturePlaces is being funded by grant funding, covering costs incurred at this stage, but not contributing to any surpluses, in a manner similar to the way that service directorates are funded and therefore I am content that the dispensation is appropriate for this decision.</p>
Background papers	Council February 2022 - 2022/23 Budget and MTFP Update report

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=4841&Ver=4>

Agenda Item 128.

Council November 2021 – Accelerating regeneration and investment in the BCP Area report.

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?CId=284&MId=4810&Ver=4>

Agenda Item 122.

