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BCP FUTUREPLACES LIMITED

BOARD MEETING 13 DECEMBER 2023

ATTENDING

Karima Fahmy (KF), Non-Executive Director and Interim Chair

Ian Marcus (IM), Non-Executive Director

Pat Hayes (PH), Non-Executive Director

Ian O'Donnell (IOD), FuturePlaces Lead Executive

Graham Farrant (GF), Shareholder Representative

David North (DN), BCP Financial Controller (Item 6 & 7 only)

Chris Shepherd (CS), BCP Head of Operations Strategy

Nick Hixson (NH), Hixsons Chartered Certified Accountants (Item 7 only)

Neil Fraser (NF), Interim Company Secretary

AGENDA

1. Welcome and Apologies for Absence
2. Notice and Quorum
3. Declarations of Interest
4. Minutes of the meetings held on 31 October and 15 November 2023 and review of Action Log
5. Report of the Lead Executive
6. Financial Update
7. Report of the External Auditor and Approval of Financial Statements
8. Any Other Business
9. Date of Next Meeting – proposed 10 January 2024

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BCP FUTUREPLACES LIMITED – Company number 13465045

BOARD MEETING - MINUTES

WEDNESDAY 31 OCTOBER 2023 at 03:05pm via MS TEAMS

Present:

Karima Fahmy (KF), Non-Executive Director & Interim Chair

Ian Marcus (IM), Non-Executive Director

Pat Hayes (PH), Non-Executive Director

In Attendance:

Neil Fraser (NF), BCP Deputy Head of Democratic Services and Interim Company Secretary

Faith James (FJ), Pinsent Masons

Charles Maunder (CM), Pinsent Masons

Sophie Cross (SC), HR Manager - BCP FuturePlaces

Ian O'Donnell (IOD), BCP Corporate Director of Resources and FuturePlaces Lead Executive

Graham Farrant (GF), CEO BCP Council and Shareholder Representative

David North (DN), BCP FuturePlaces (Item 6)

Apologies:

Gail Mayhew (GM), Director

1. WELCOME AND APOLOGIES FOR ABSENCE

- 1.1 The Chair welcomed all present to the meeting and noted that apologies had been received from GM.

2. NOTICE AND QUORUM

- 2.1 The Chair highlighted the meeting notice and confirmed that the meeting was quorate.

3. DECLARATIONS OF INTEREST

- 3.1 The Board members confirmed that there were no interests to declare for the items on the agenda.

4. MINUTES OF THE MEETING HELD ON 11 OCTOBER 2023 AND REVIEW OF ACTION LOG

- 4.1 Consideration was given to the minutes of the meeting held on 11 October 2023, and it was:

RESOLVED: That the minutes of the meeting held on 11 October 2023 be agreed as a correct record.

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- 4.2 Consideration was given to the Action Log and Action No. 49. It was confirmed that an update on remaining actions would be provided as part of agenda item 6.

5. UPDATE ON COMPANY CLOSURE

- 5.1 The Board was asked to consider and, if thought fit, approve the execution by the Company of a:

- deed of termination between the Company and Bournemouth, Christchurch and Poole Council (the “**Council**”) (the “**Deed of Termination**”);
- hive up intra-group transfer agreement between the Company and the Council (the “**Transfer Agreement**”);
- deed of indemnity between the Company and the Council (“**BCP Indemnity**”);
- deed of indemnity between the Council and KF (“**KF Indemnity**”);
- deed of indemnity between the Council and PH (“**PH Indemnity**”);
- deed of indemnity between the Council and IM (“**IM Indemnity**”); and
- deed of indemnity between the Council and GM (“**GM Indemnity**”)

(together the “**Documents**”),

in connection with terminating the Service Agreements (as defined in the Transfer Agreement) and as a pre-step to the solvent wind-down of the Company (the “**Transaction**”).

TRANSACTION

- 5.2 It was reported that the Transaction would:

- in accordance with the terms of the Deed of Termination, terminate the Service Agreements that exist between the Company and the Council following which delivery of the services within the Service Agreements will be carried out by the Council;
- transfer the business, asset and employees of the Company to the Council pursuant to the terms of the Transfer Agreement and the Deed of Termination;
- indemnify the Company in respect of all liabilities (present, future and contingent) reasonably and properly incurred by the Company during the Wind-Down Period (as defined in BCP Indemnity) that the Company is not otherwise able to meet through its day-to-day cash flow; and

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- indemnify each director that have entered into KF Indemnity, PH Indemnity, IM Indemnity and GM Indemnity (together the “**Directors’ Indemnities**”) in respect of any personal liabilities incurred by them in the performance of their duties as directors of the Company arising out of, or in connection with, all reasonable and legal acts undertaken while trading the company through the Wind-Down Period (as defined in each of the Directors’ Indemnities).

DOCUMENTS

- 5.3 A copy of the Documents were produced to the meeting. The Board confirmed that they had had an opportunity to review, and were familiar with, the contents of the Documents. The meeting carefully considered the Documents and the nature, extent and effect of the obligations to be assumed by the Company thereunder.

COMMERCIAL BENEFIT

- 5.4 The Directors sought advice from CM on their duties to promote the success of the Company, including avoiding transactions at an undervalue and preferences. CM confirmed that it was appropriate for the directors to approve the Transaction and the Documents on the terms proposed. Having carefully considered the terms of the Transaction and the Documents, the Directors were of the opinion that:
- in the good faith judgment of all of the directors, the Company will receive full and fair consideration for entering into the Transaction by virtue of the deferred consideration mechanism in the Transfer Agreement, and that the Documents promote the success of the Company for the benefit of its members as a whole; and
 - the execution and delivery of the Documents and the exercise by the Company of its rights, and the performance of its obligations, under them would not contravene any term of the Company's articles of association or any other agreement binding on the Company.

APPROVAL OF DOCUMENTS

- 5.5 The terms of the Documents having been carefully considered; it was unanimously:

RESOLVED: that:

1. the terms of each of the Documents and any other documents ancillary to, or to be entered into by the Company in connection with, the Documents or the Transaction (the “Ancillary Documents”) be and are approved by the Company;
2. any one director, or, in the case of a deed, any one director in the presence of a witness, any two directors, or any one director and the company secretary are authorised to execute and deliver the Documents and the Ancillary Documents with any amendments, variations or additions that they in their absolute discretion considers appropriate and such authorisation includes the authority

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to execute the Documents and the Ancillary Documents by applying an electronic signature; and

3. any director or the company secretary is authorised to certify as true a copy of any other document which is to be delivered by the Company in connection with any of the Documents.
4. the company secretary be instructed to complete the appropriate entries in the books of the Company and arrange for any forms to be completed and filings to be made.
- 5.6 Implementation of the above was further detailed, including process and timings for the signing of documents by all Directors, payment of VAT, as well as available mechanisms for recovery in the event of potential overpayment of VAT.
- 5.7 Regarding FuturePlaces offices, the Board was advised that the previously approved break option had been exercised, the landlord had secured a replacement tenant, and as a result the offices had been vacated as of 31 October 2023 and the Company would receive a pro-rata reimbursement of some of the rent previously paid.

6 FINANCIAL UPDATE

(DN joined the meeting at 15:35.)

- 6.6 DN provided an update on Action No. 49, regarding outstanding invoices relating to DLUHC, Carters Quay and Poole Quay. Payment for the DLUHC invoice had been received, while further review of the remaining invoices was ongoing. An additional invoice received from Castletown Law was in the process of being reviewed and challenged.

(FJ left the meeting at 15:38.)

- 6.7 DN highlighted an additional payment owed to Pinsent Masons as a result of increased work hours. The Board agreed that IOD and CM would review and agree a figure to be invoiced. The PO would be revised to include an estimate for future work to be undertaken relating to the winding up of the Company.

ACTION: that IOD and CM review and agree a figure to be invoiced for additional work carried out by Pinsent Masons.

- 6.8 Regarding purchase orders for invoices received, work remained ongoing with suppliers to establish whether invoices were to be forthcoming. It was confirmed that a communication to suppliers advising them of a cutoff date for the submission of invoices would be issued. Any invoices received after the cutoff date would need to be issued to the Council.

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- 6.9 Cashflow was confirmed to remain healthy. The majority of staff payments had now been carried out. Payments to Board Non-Executive Directors would need to continue for the foreseeable future.
- 6.10 Comments from the auditor on the completion of the FY23 accounts and options for closure of BCP FuturePlaces were set out as per the accompanying report. GF reconfirmed the Council's intention to ensure all monies owed were paid in full. CM set out the options for liquidation/strike-off open to the Company and advised that given the assurances from the Council that all creditors would be paid in full and that the Company would be wound down solvently, the Board was in a position to move forward with either a Members Voluntary Liquidation or a dormant strike-off, with the latter being recommended as the simpler and most cost-effective route which was appropriate given the uncomplicated nature of the Company's business.

(DN left the meeting at 15:56)

7 HR UPDATE

- 7.6 SC provided the Board with an update on HR matters and confirmed that all staff transfers to BCP Council and staff reviews had been completed.
- 7.7 There remained one outstanding issue regarding a member of staff's development plan review. The Board agreed that, in light of the transfer of staff to BCP Council effective 01 November 2023, the matter should be resolved by BCP Council.

8 ANY OTHER BUSINESS

- 8.1 None.

9 DATE OF NEXT MEETING

- 9.1 The date of the next Board meeting was confirmed to be 15 November at 2pm via Teams.

End: 16:01

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BCP FUTUREPLACES LIMITED – Company number 13465045

BOARD MEETING - MINUTES

WEDNESDAY 15 NOVEMBER 2023 at 2:00pm via MS TEAMS

Present:

Karima Fahmy (KF), Non-Executive Director & Interim Chair

Ian Marcus (IM), Non-Executive Director

Pat Hayes (PH), Non-Executive Director

In Attendance:

Neil Fraser (NF), BCP Deputy Head of Democratic Services and Interim Company Secretary
Ian O'Donnell (IOD), BCP Corporate Director of Resources and FuturePlaces Lead Executive

Graham Farrant (GF), CEO BCP Council and Shareholder Representative

David North (DN), Financial Controller (Item 6)

1. WELCOME AND APOLOGIES FOR ABSENCE

1.1 The Chair welcomed all present to the meeting.

1.2 It was noted that Gail Mayhew had resigned from the Board with effect from 31 October.

2. NOTICE AND QUORUM

2.1 The Chair highlighted the meeting notice and confirmed that the meeting was quorate.

3. DECLARATIONS OF INTEREST

3.1 The Board members confirmed that there were no interests to declare for the items on the agenda.

4. MINUTES OF THE MEETING HELD ON 18 OCTOBER 2023 AND REVIEW OF ACTION LOG

4.1 Consideration was given to the minutes of the meeting held on 18 October 2023, and it was:

RESOLVED: That the minutes of the meeting held on 18 October 2023 be agreed as a correct record.

4.2 Consideration was given to the Action Log. It was confirmed that action no 54 would be addressed within the Finance report (agenda item 6).

5. REPORT OF THE LEAD EXECUTIVE

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- 5.1 IOD confirmed the progress on the valuation and payment of work transferred from the Company to BCP Council as set out in the accompanying report. It was confirmed that the valuation review was not expected to be concluded until December 2023 at the earliest and would likely continue into the New Year due to the necessary consultation on valuations. GF advised that this required completion for a report's submission to the relevant Cabinet meeting, with the end of January 2024 being a hard stop.
- 5.2 The Council continued to review what work was to be purchased, and further conversations with the Council were required to agree the intrinsic value of FuturePlaces work. GF confirmed he was supportive that all work done by FuturePlaces had value to the Council.
- 5.3 The Board agreed that all work carried out by FuturePlaces had value to the Council, and suggested that while there could be projects that were not in a position to be taken forward immediately, it was important to retain the work carried out for potential actioning in the future.
- 5.4 The Board requested clarity on the timetable for the valuation and implications for the payment of VAT. IOD advised that it was expected that the final valuation would be ready in the New Year, with VAT on the transfer of work to be paid in the next quarterly VAT return at the end of Q3 FY (end January 2024). The VAT paid was likely to be an accurate figure rather than an estimate due to its proximity to the expected date of the final valuation.
- 5.5 A two-week contingency period to allow suppliers to submit any final invoices was underway. If the contingency period required extension, the date for agreement of the Finance Review and valuation of work could be affected.
- 5.6 As the Company was now effectively dormant, discussions with the Council were required to agree a timescale for replacement of the NEDs. The Council would likely seek to appoint a single director to manage the final stages of the Company wind-up, which required amendments to the Company's Articles of Association.

ACTION: NF to review and propose amendments to the Company's Articles of Association.

- 5.7 The Board agreed that, subject to legal advice from Pinsent Masons, they would seek to hand over the Company to a new Director before the end of 2023.

ACTION: IOD to seek legal advice from Pinsent Masons re. resignation of Directors.

- 5.8 Moving to HR matters, the Board was advised that the induction process for transferred FuturePlaces staff had gone well, with good feedback. Allocation of work to staff was

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now completed, and staff were largely happy with the process. The Board expressed its thanks to the Council staff for managing a smooth transfer process.

- 5.9 The Board was referred to the accompanying papers which set out a question on FuturePlaces from a Councillor at the Full Council meeting of 7 November 2023. The Leader of the Council's subsequent reply to a supplemental question on 'lessons learned' suggested that the matter be referred to the Audit & Governance Committee for further scrutiny. The Council's internal audit team were now drafting a report to which both IOD and GF would contribute.

6 FINANCIAL UPDATE

(DN joined the meeting at 14:31.)

- 6.1 DN provided an update on the finances of the Company as set out in the accompanying report. Highlighting the current status of purchase orders for invoices received, DN advised that suppliers had been contacted and informed of the 20th November deadline for submission of invoices, and no further invoices were expected. As a result, c. £243k of POs were to be canceled as of next week. The latest payment run for FuturePlaces was due for 15 November 2023 to the value of c. £8.5k.
- 6.2 Regarding Action 54, costs to Pinsent Masons had increased commensurate to the work being carried out. Commissioning of future work would be done in writing on an individual task basis. It was requested that DN confirm the details of outstanding approved work in consultation with GF and the Council's procurement team.
- ACTION: DN to confirm the details of outstanding approved work by Pinsent Masons in consultation with GF and the Council's procurement team.**
- 6.3 Cashflow remained healthy, with some sales income received for commissioned work on parking matters. VAT had been paid, with one final quarter payment remaining. A goodwill gesture of £2,000 had been received from the new tenants of the former FuturePlaces offices for the retention of glass partitioned meeting areas. It was hoped that the deposit of £6,250 and a rent rebate of up to £13,500 would be received. The transfer of the remaining fixed assets was being discussed with the Council's Finance team, including c. £23k for IT equipment.
- 6.4 The invoice received from Castletown Law, discussed at previous Board meetings, appeared to have been resolved without payment.
- 6.5 NED payments would likely continue until at least the end of December 2023. Costs for engagement of Purple HR were very low.
- 6.6 The filing deadline for the Company's accounts was end of December 2023 and DN would continue to engage with the auditors and Council team to finalise the accounts for approval.

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ACTION: DN to work with auditors to finalise the Company accounts.

(DN left the meeting at 14:46)

- 6.7 Regarding the costs of the Company closure and confirmation of its liabilities, IOD confirmed that the intention was to ensure the Company had no further creditors prior to its closure. On this basis, there would be no need to employ a liquidation expert. However, this did leave the risk that a creditor could make a claim in the future, whereas winding up through a formal liquidation process would prohibit such claims. Conversations with the Council on this matter were ongoing.
- 6.8 The Board agreed that arrangements for closure of the Company would be addressed in more detail at the next Board meeting.

ACTION: IOD to confirm the Council's preference for the closure of the Company, with a further report to follow at the next Board meeting.

7 ANY OTHER BUSINESS

- 7.1 None.

8 DATE OF NEXT MEETING

- 8.1 The Board agreed that the meeting of 29 November be cancelled, with the Board next meet on 13 December 2023. It was suggested that items for that meeting include further discussion on the work transfer/valuation, outstanding invoices and the appointment of a new Board member.
- 8.2 The date of the next Board meeting was therefore confirmed to be 13 December 2023 at 3pm.

End: 14:57