

# FuturePlaces.

**BCP FuturePlaces Limited**

## **Agenda – 13 September 2023**

### **Attending**

Gail Mayhew  
Craig Beevers  
Karima Fahmy (Interim Chair)  
Ian Marcus  
Pat Hayes  
Charles Maunder (Pinsents)  
Neil Fraser (BCP Council, Minutes)  
Faith James (Pinsents)

### **Apologies**

Graham Farrant (BCP Council) (Jess Gibbons substituting)

1. Welcome and Apologies
2. Notice and quorum
3. Declarations of Interest
4. Minutes of the meeting held on 30 August 2023 and review of Action Log
5. Update of Company's financial position (Cash, creditors and forward cash flow)
6. Update on Letter of Assurance
7. PR and Comms:
  - Handling Plan
  - Dates of upcoming critical meetings
  - GDPR
8. HR Update
9. BCP Council reconfirmation of transitional scope of FuturePlaces
10. Board response to Updated Cabinet Paper
11. Governance and Control
12. AOB

# FuturePlaces.

**BCP FUTUREPLACES LIMITED – Company number 13465045**

## **BOARD MEETING - Minutes**

**WEDNESDAY 30 AUGUST 2023 at 16:00 at via MS TEAMS**

### **Present:**

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

Gail Mayhew (GM), Director

Ian Marcus (IM), Non-Executive Director

Pat Hayes (PH), Non-Executive Director

### **In Attendance:**

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

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

Charles Maunder (CM), Pinsent Masons

David North (DN), FuturePlaces (partial)

Christine Hobday (CH), FuturePlaces (partial)

## **1. WELCOME AND APOLOGIES FOR ABSENCE**

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

## **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 APPOINTMENT OF INTERIM COMPANY SECRETARY**

- 4.1 In the absence of a permanent Company Secretary, it was confirmed that NF would be appointed as interim Company Secretary and that the relevant filings would be made at Companies House. It was noted that NF was not a chartered Company Secretary but that he had the support of the broader Democratic Services team.

## **5 MINUTES OF THE PREVIOUS MEETINGS AND REVIEW OF ACTION LOG**

- 5.1 GM requested that approval of the minutes of the meeting held on 4 August be deferred to a future meeting to allow for further review of accuracy by all parties present. The Board approved the requested deferral on the basis that the meeting had been held prior to the recent move to weekly meetings.

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- 5.2 The minutes of the meetings held on 18 and 23 August were submitted for comment and approval. GM suggested the following revisions to aid clarity, which were agreed:

Meeting 18 August 2023:

- 3c: amendment to include *“GF agreed that FP Co may produce an Option 3 scenario (a tapered wind down) for inclusion in the Cabinet Report.”*
- 3d: amendment to read *“It was agreed that given its current position, FuturePlaces ought to protect the value in its intellectual property and was advised to be careful when releasing the material in the meantime.”*
- 4d: amendment to read *“KF reminded the Board that at its meeting on 13 June the Board had agreed there should be no further external work instructed until the Board had clarity on FuturePlaces future prospects and the working capital availability was clearer. There should therefore have been no instruction of further third-party work since that decision. It was reinforced by GF that work on projects should not cease, and that any essential and/or time-limited work should be commissioned by BCP Council.”*
- 6a: amendment to read: *“it was noted that FuturePlaces’ auditor was looking to see 12 months of liquidity and that a support letter for FuturePlaces had not yet been signed-off.”*

Meeting 23 August 2023:

- Amendment to show CB’s partial attendance.
- 4.2: amendment to read: *“GF, as representative of the shareholder, confirmed that it was the Council’s preference to work with FuturePlaces on issuing an assurance letter as soon as possible. This would enable FP Co to release WIP, so that its usefulness to the Local Plan and planning process could be assessed. It was highlighted that certain documents were required to be shared by FuturePlaces to enable this and progression of the Constitution Hill project, and that payment for such services would be made by the Council to FuturePlaces in the normal manner..”*

GM clarified that this would create a new charging point at Reference Masterplan stage on some projects, as anticipated in the draft 2024 revised Business Plan (i.e. not in the current ordinary course of business).

- 4.3: amendment to read *“FuturePlaces advised that legal advice previously received had recommended caution when sharing information between FuturePlaces and the Council. CM advised that the sale by FuturePlaces of these Constitution Hill documents to the Council in the ordinary course of its business, to realise work in progress for full value, remained appropriate as being in the best interests of the Company’s relevant stakeholders at this time.”*
- 4.5: amendment to read *“GF, as representative of the shareholder, provided assurances that the Council recognised the need to pay monies owed; by the*

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*Council making such payments, FuturePlaces would be able to reduce its working capital facility and it was acknowledged that this repayment mechanism was in the best interest of both parties. GF, as representative of the shareholder, also provided assurances that the Council would provide FuturePlaces with the ability to settle all monies due to external creditors in a wind-down scenario ahead of the debt owed to the Council and that it would support the solvent wind up of the Company, including indemnifying the Company and its Directors.”*

- 7.4: addition of “It was noted that an early draft of the Cabinet Report had been shared. It was agreed that the Board Members may comment on the draft and that these should be coordinated by GM. A mutually agreed PR line on the Cabinet Report would be agreed between BCP Council and FP CO.”

**RESOLVED: that the minutes of the meetings held on 18 and 23 August be approved as a true record, subject to the above amendments.**

5.3 Due to time constraints, it was agreed that the review of the Action Log be deferred.

## **6 UPDATE ON COMPANY’S FINANCIAL POSITION**

- 6.1 David North joined the meeting at 16:29 and provided an update on FuturePlaces financial position.
- 6.2 CM clarified previous requests for weekly financial updates, advising that these were to ensure that current and future cash flow was in line with that expected.
- 6.3 DN informed the Board of the single payment made in the preceding week, for circa £102k to Purple HR. A further payment of circa £135k had been made on 30 August, broken down as set out in the accompanying report.
- 6.4 With the move to weekly Board meetings held each Wednesday, it was suggested that the board approve amendment of the payment run date to Thursday each week, to enable a timely response to decisions made at the prior day’s Board meetings. The Board agreed, though it was noted that this was subject to approval from the BCP Credit Manager (currently away).
- 6.5 The report set out a summation of Purchase Orders outstanding. GF sought confirmation that FuturePlaces officers were confident that the summation was correct and up to date. In response, DN advised he was not aware of any further costs and highlighted that any new requisitions requiring the raising of Purchase Orders were required to be approved by CB or GM, and potentially BCP Council.
- 6.6 DN confirmed that the external supplier line set out in the report was correct, and that there was cashflow to pay off all external creditors. August payment actuals were correctly received.

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- 6.7 GF highlighted that finances were tight when incorporating a full year's rent value and questioned the requirement of a further draw-down to the capital loan facility. DN advised that further sales revenue was not anticipated and therefore a further £500k would be useful.
- 6.8 DN referenced Council payments due of circa £55k, as set out in the June quarterly resource agreement, together with circa £46k accrued in the previous year. GM queried whether these payments should be prioritised. It was agreed that GM would discuss the matter with GF.

**ACTION: GM to discuss prioritisation of payments with GF.**

- 6.9 CM highlighted the need to incorporate additional costs incurred by the winding up process, e.g. Legal fees. GM advised that an additional £20k had been allocated to cover such costs.
- 6.10 The Board sought advice from CM regarding whether FuturePlaces could continue to trade. CM advised that as there was no final position with Council lawyers yet, in light of the oral support provided by Graham Farrant and the good progress being made in agreeing the letter of support from the Council, it would be premature for the Board to take the decision not to continue trading. Additionally, GF reconfirmed the Council's commitment to support FuturePlaces in managing its liabilities as it sought to conclude the winding up process, in the event that the Council decided to wind up FuturePlaces. On this basis, the Board agreed that FuturePlaces could continue to trade.

**RESOLVED: That FuturePlaces continue to trade.**

## **7 DRAFT LETTER OF ASSURANCE**

- 7.1 CM provided an update on the progress of the drafting of the letter of assurance. The Board was informed that, following several revisions by Pinsent Masons and BCP Council's legal team, a letter had been drafted that was largely acceptable to all parties. The most recent draft included amendments to provide FuturePlaces flexibility over payments, in respect of the level of control the Council would need to exert on such payments. A further draft had been submitted with suggested wording to provide FuturePlaces the freedom to incur new liabilities where they were in line with existing priorities or legal advice.
- 7.2 While the draft was headed in the right direction, a final resolution had yet to be reached. The final draft would be subject to agreement from the Council's S151 officer.
- 7.3 The Board sought clarity on how payments to external creditors would be managed, where payments had historically occurred but were no longer in line with the Council's newly defined priorities. GF advised that the referenced measures to control payments were only applicable to new payments, and were not intended to stop payments for previous costs.

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- 7.4 The Board sought clarity on the final sign-off process. GF confirmed that he had delegation to sign the letter under the parameter of the existing council decision on FuturePlaces, and therefore did not require use of emergency powers. It was agreed that the final version of the assurance letter be forwarded to the Board for final approval via email.

**ACTION: Final version of the assurance letter to be forwarded to the Board for approval by email.**

- 7.5 The Board confirmed that the Chair was authorised to sign the agreed assurance letter on behalf of FuturePlaces.
- 7.6 Christine Hobday joined the meeting at 16:51 to aid discussion on the payment of the office rent. CH advised that the office lease had originally been agreed for a 24-month term. CB had subsequently negotiated a new 12-month lease with a 6-month break clause, effective as of January 2024, at the same rent value. Serving of the break clause required 3 months' notice. FuturePlaces had not currently paid any rent and could not activate the break clause prior to paying rent. It was therefore recommended that FuturePlaces make payment for 6 months' rent, but instantly exercise its break option.
- 7.7 GM advised that she supported the recommendation based on the information available, but highlighted that in CB's absence she was not aware of what had previously been agreed between CB and the landlord. GM advised that while FuturePlaces rent payment was in arrears, the landlord was not chasing on the anticipation that a resolution would be confirmed upon CB's return.
- 7.8 GF advised that, as representative of the shareholder, he supported the recommendation as this would preclude paying a full 12-month term and then relying on the landlord to subsequently pay 6 months money back. It was suggested that payment for the first 6 months be paid immediately, with a discussion around the second 6 months to be held upon CB's return. GF advised that there was no objection to paying the current landlord, and confirmed there were no concerns regarding the effect of the payment on the cash position of company.
- 7.9 The Board noted the minutes of the previous meeting, at which the Board had agreed that officers should immediately exercise the 6-month break option. The Board stressed the need to effect this action immediately.
- 7.10 DN advised that there many be challenges in making a payment in the current week, as decision makers at the landlord were currently away and an invoice from the landlord was necessary. It was confirmed that there was an invoice for circa £54k.
- 7.11 The Board approved the immediate payment of 50% of the current £54k invoice, together with the immediate exercising of the 6-month break clause option. The Board instructed CH to liaise with the landlord's administrator to obtain an invoice to the

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correct amount to enable this payment, and to confirm with the landlord once the payment had been processed.

**ACTION:** CH to liaise with the landlord's administrator to obtain an invoice to the correct amount, and to issue immediate payment followed by confirmation to the landlord.

**RESOLVED:**

1. That the Chair be authorised to sign the final agreed assurance letter on behalf of the Board;
2. That immediate payment of 50% of the current £54k invoice for office rent be paid, together with the immediate exercising of the 6-month break clause option.

## **8 PR AND COMMS**

- 8.1 Due to the time constraints, the item was deferred to a future meeting.
- 8.2 The date of the next meeting was confirmed as 3pm on Wednesday 06 September 2023.

## **9 HUMAN RESOURCES UPDATE AND ISSUES**

- 9.1 Due to the time constraints, the item was deferred to a future meeting.

## **10 BOARD RESPONSE TO CABINET PAPER**

- 10.1 Due to the time constraints, the item was deferred to a future meeting.

**Start: 16:00**

**End: 17:05**