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BCP FUTUREPLACES LIMITED

AGENDA – 20 SEPTEMBER 2023

ATTENDING

Karima Fahmy (Interim Chair)

Ian Marcus

Pat Hayes

Gail Mayhew

Craig Beevers

Charles Maunder (Pinsent Masons)

Faith James (Pinsent Masons)

Neil Fraser (BCP Council)

Jess Gibbons (BCP Council)

APOLOGIES

Graham Farrant (BCP Council)

1. Welcome and Apologies for Absence
2. Notice and Quorum
3. Declarations of Interest
4. Minutes of the meeting held on 06 September 2023 and review of Action Log
5. Update of Company's financial position: cash, creditors and forward cash flow
6. HR Update
7. Draft Indemnities
8. Any Other Business

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BCP FUTUREPLACES LIMITED – Company number 13465045

BOARD MEETING - MINUTES

WEDNESDAY 06 SEPTEMBER 2023 at 15:00 via MS TEAMS

Present:

Karima Fahmy (KF), Non-Executive Director & Interim Chair
Gail Mayhew (GM), Director
Craig Beevers (CB), 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
Faith James (FJ) Pinsent Masons
Sophie Cross (SC), FuturePlaces (partial)

WELCOME AND APOLOGIES FOR ABSENCE

- 1.1 The Chair welcomed all present to the meeting and noted that no apologies had been received.

1. 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.
- 3.2 GF confirmed that he was present in his capacity as shareholder representative and would not take part in any voting.

4. MINUTES OF THE MEETING HELD ON 04 AUGUST 2023 AND REVIEW OF ACTION LOG

- 4.1 The minutes of the meeting held on 04 August 2023 were submitted for comment and approval. The minutes were agreed as true record subject to renumbering of paragraphs where required.
- 4.2 The Action Log was reviewed. It was requested that to curtail its length, any completed actions should be removed.

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- 4.3 Action 16 was confirmed to be on pause until BCP Council made its decision.
- 4.4 Actions 23, 29, 31, 35, 36 were confirmed to be completed.
- 4.5 GM provided an update on Action 34, and advised that payments to external creditors were being managed proactively and prioritised. GF sought confirmation that additional expenditure was not being incurred as a result of external attendees at events such as the recent airshow. GM advised that no such expenditure was being incurred. Attendees at the airshow did not attend on a paid basis.

RESOLVED:

- 1. That the minutes of the meeting held on 04 August 2023 be approved as a true record, subject to renumbering of paragraphs where required;**
- 2. That the Action Log be updated as required.**

5. UPDATE ON COMPANY'S FINANCIAL POSITION

- 5.1 CB highlighted the figures as set out in the accompanying report. The Board confirmed there were no questions on proposed payments.
- 5.2 GM highlighted potential difficulties with supplying information to auditors in light of the publication of any report suggesting the impending closure of the company. KF noted that this was linked to the pausing of Action 16 as referred to earlier. CB confirmed that the company would not be producing a set of going concern accounts prior to the publication of any report. CM highlighted the need for timely completion of wind-up actions (and request an extension to filing the accounts if necessary) to ensure submission of accounts by the filing deadline.
- 5.3 KF highlighted paragraph 1.3 of the report regarding the approval mechanism for the raising of purchase orders (POs) and its alignment with the letter of assurance setting out the requirement for the Council to approve any new POs. CM advised that if the Company was incurring liabilities outside of the remit given by the Council, these liabilities would need the Council's express consent. GF advised that the "redefined program of project priorities" reference in the letter of assurance was to allow for day-to-day running costs, but aimed to avoid incurring new project costs.
- 5.4 GM highlighted the previous agreement from GF that the Company should progress work on projects confirmed by Councillors as priorities, and sought clarity on whether project action should cease. GF confirmed that it had been agreed that if any further project work was to be done, this would be done internally through the Council to avoid incurring any costs attributable to the Company. CM advised that this should be formally confirmed in writing to the Company. GF agreed to action this.

ACTION: GF to formally confirm in writing the mechanism for commissioning project work through the Council rather than the Company.

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6. UPDATE ON DRAFT LETTER OF ASSURANCE

- 6.1 KF confirmed that the draft letter circulated by CM on Monday, as agreed with BCP Council's legal team and approved by the Board, had now been sent. KF requested that the minutes record the Board's thanks to the teams at BCP, the Company and Pinsent Masons who had worked quickly and collaboratively to finalise the letter. GF confirmed that the letter had been received and that a response was being drafted for signing by GF as an officer decision in the coming days.
- 6.2 CM confirmed that indemnity documents were being drafted. Upon receipt of the Council's response to the recent letter referred to above, draft indemnity documents would be shared with the Board and Council for their comments. CM confirmed that the documents were being drafted as per Pinsent Masons' templates, as BCP did not have standard forms available.
- 6.3 KF requested advice from CM regarding the Company's ability to continue to trade.
- 6.4 CM advised the Board that the overarching test to be considered is whether, based on the information available to the Board at the current time, the Board should or ought to be, concluding that the Company no longer has a reasonable prospect of avoiding insolvent liquidation or administration.
- 6.5 Whilst the Board recognised it currently has insufficient cash funds to satisfy all its current and future liabilities, it was acknowledged that (i) the Company issued its request for a letter of assurance and had received a draft response letter of assurance which had been approved in principle by the Council and their legal team, and (ii) the Company had received verbal assurances that the Council's response letter would be issued before the end of the week.
- 6.6 CM considered that it would be appropriate for the Board, at the current time, to conclude that such assurances provide the Company with sufficient comfort that the Company currently has a reasonable prospect of being able to meet current and external third party liabilities in full and that there is a mechanism in place to deal with the liabilities owed to the Council to enable the winding up of the Company on a solvent basis. CM therefore confirmed that in his view it would be reasonable for the Board to conclude that they have every prospect of avoiding insolvent liquidation and administration at the current time.
- 6.7 The Board agreed that, as a result of the legal advice received, the Company continued to have reasonable prospects of avoiding insolvent liquidation and administration and could continue trading as a going concern.

7. PR AND COMMS

- 7.1 GM confirmed that senior editors at the Bournemouth Echo had recently been replaced by a more junior team who would likely provide coverage based on press releases.

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- 7.2 GM advised that a response to a recent enquiry from Cllr Canavan regarding costs spent on the Lighthouse bid was in progress.
- 7.3 Regarding press releases and timings, CB confirmed a draft release was under review by the Council's Director of Marketing and Communications.
- 7.4 IM suggested that the Board should approve all press releases before their release. GF agreed to circulate a timetable of messaging and the final wording of press releases to the Board once finalised.
- 7.5 GF advised that the Council's Director of Marketing and Communications had suggested that KF be appointed as official Company spokesperson, if needed. The Board agreed.
- 7.6 GF advised that a press briefing scheduled for 13 September was under review as a result of the changes at the Bournemouth Echo.

ACTION: GF to circulate a timetable of messaging and final wording of press releases to the Board.

8. HUMAN RESOURCES UPDATE

- 8.1 GM confirmed that advice had been taken from Purple HR regarding the implications of sharing staff information as part of the company wind-up process.
- 8.2 In respect of GDPR, CB requested clarity that the sharing of staff personal information with the Council was permissible. FJ advised that TUPE required the Company to provide certain information. However, the information request which had been shared with Pinsent Masons contained more information than was required and therefore should be pared down and anonymised.

(SC joined meeting 15:37)

- 8.3 SC confirmed that the sharing of information was currently under review with the Council's legal team. CM confirmed that more formal advice could be provided following the meeting, if required. CB highlighted that as the FP team was small, even anonymised data attached to the Council's intranet would likely allow for individuals to be identified. It was agreed that FP staff be asked for their consent to share the information as required, with further advice from Pinsent Masons to follow if consent was not given.

ACTION: SC to progress obtaining consent from FP staff for the sharing of required personal information.

- 8.4 GM advised that the Council's Chief Operations Officer had proposed a meeting with FP staff and the Council's Director of Marketing and Communications on 07 September for which there was no agenda, and requested approval from the Board

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that the meeting could be held. GF advised that the meeting was likely an opportunity to pick up any questions and ensure consistency of messaging. The Board agreed that the meeting could take place. It was agreed that the officers would share key messages resulting from the meeting with the Board.

ACTION: Council officers to share key messages resulting from the meeting with the Board.

9. BOARD RESPONSE TO CABINET PAPER

- 9.1 GM confirmed comments on the draft Cabinet report had been passed to the Council's Chief Operating Officer, who had advised that some suggested amendments had not been agreed. Concerns over accuracy of the contents of the report, and its impact on employee reputations, job prospects, and the reputation of the Company therefore remained. Additional concerns related to the Board's ability to fully retain the Company's value and the undermining of external partners' willingness to participate in future work.
- 9.2 CM advised that based on the assurances that all external creditors were to be paid, the sole remaining creditor and shareholder would be the Council and any reputational damage would be applicable to the Council only. If the Council accepted this and continued to support FP despite such risks, then this was not a concern for the Board.
- 9.3 IM accepted the need for the report to be factually correct but considered that the report was reasonably objective and did not contain slights on FP executives or undermine the Company. However, the recent letter addressed to GF was not referenced in the report, and it was felt that the Council should be made aware of its contents. Additionally, details of write-offs should be set into the context of what the Council was receiving in return, i.e., work in progress, etc. PH advised that he agreed with the points raised by IM.
- 9.4 GF highlighted that the report referred to costs while financial matters remained under review. It was therefore likely that the report to the forthcoming Scrutiny Committee would need to be published using estimated figures.
- 9.5 GM referred to the report's highlighting of governance issues and suggested that these had been addressed via the appointment of Lord Kerslake and the current Directors. It was suggested that the report confirm that both CB and GM had raised concerns over the previous appointment of Councillors to the Board. It was felt that the report should also advise that issues relating to the lack of consulting with Council officers were a result of certain officers not attending meetings, while issues of under delivery were a result of the Company being instructed to curtail project delivery prior to the May local election.
- 9.6 GF highlighted the need to ensure accuracy of actions and dates within the report and agreed to circulate the most recent draft of the report following the meeting.

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ACTION: GF to circulate the most recent draft of the report following the meeting.

- 9.7 KF summarised by reiterating that the report was owned by the Council and noted that while comments and suggested amendments had been aired, ultimately it was for the Council to incorporate or amend as appropriate.

10. ANY OTHER BUSINESS

- 10.1 There being no further business the Chair closed the meeting at 16:02.

DRAFT