

FuturePlaces.

BCP FUTUREPLACES LIMITED

AGENDA – 04 OCTOBER 2023

ATTENDING

Karima Fahmy, Non-Executive Director and Interim Chair

Ian Marcus, Non-Executive Director

Pat Hayes, Non-Executive Director

Gail Mayhew, Executive Director

Craig Beevers, Executive Director

Graham Farrant, Shareholder Representative

Charles Maunder, Pinsent Masons

Faith James, Pinsent Masons

Sophie Cross, BCP FuturePlaces

Neil Fraser, Interim Company Secretary

APOLOGIES

1. Welcome and Apologies for Absence
2. Notice and Quorum
3. Declarations of Interest
4. Minutes of the meetings held on 13 & 20 September 2023 and review of
Action Log
5. Update of Company's financial position: cash, creditors and forward cash flow
6. HR Update: TUPE Process / TUPE Measures Letter
7. Any Other Business
8. Date of Next Meeting (suggested 18 October 2023)

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BCP FUTUREPLACES LIMITED – Company number 13465045

BOARD MEETING - MINUTES

WEDNESDAY 13 SEPTEMBER 2023 at 10:30 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 (partial)

In Attendance:

Jess Gibbons (JG), CEO BCP Council and Shareholder Representative
Neil Fraser (NF), BCP Deputy Head of Democratic Services and Interim Company Secretary
Faith James (FJ), Pinsent Masons

Apologies:

Graham Farrant (GF), COO BCP Council and Shareholder Representative
Charles Maunder (CM), Pinsent Masons

1. WELCOME AND APOLOGIES FOR ABSENCE

- 1.1 The Chair welcomed all present to the meeting and noted that apologies had been received from GF and CM. JG was present as GF's substitute.

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 30 AUGUST 2023 AND REVIEW OF ACTION LOG

- 4.1 The minutes of the meeting held on 30 August 2023 were submitted for comment and approval.
- 4.2 CB suggested that section 6 be amended to include the following wording:

“CB questioned whether employees should be explicitly broken out and stated as a category of creditor that the Council was undertaking to pay and make whole in the support letter. CM explained that employee costs would be captured within the

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category of external creditors. GF confirmed that it was the councils understanding and intent that employees would be dealt with under the external creditors categories and would therefore be fully paid under the guarantee.”

The Board agreed that the suggested wording be included for completeness, and the minutes were agreed as a true record as amended.

- 4.3 The Action Log was reviewed. Actions 25, 27 and 28 were confirmed as completed, with all other open actions remaining outstanding.

RESOLVED:

- 1. That the minutes of the meeting held on 30 August 2023 be approved as a true record, subject to the amendment as set out above;**
- 2. That the Action Log be updated as required.**

5. UPDATE ON COMPANY’S FINANCIAL POSITION

- 5.1 CB provide a financial update as set out in the accompanying report.
- 5.2 KF sought clarity on the process and timing for requesting the draw-down of the working capital loan facility to not fall short of funds during October. CB advised that the request for the funds is made at the beginning of a week, with monies arriving on the following Tuesday. CB advised that there was no risk to Company funds during October.
- 5.3 The Board queried when the Council would confirm the value of the masterplan work. CB advised that the Council was currently reviewing its valuation and would communicate their findings once that work was concluded. Now the Company was in receipt of the assurance letter, broader tax issues were for Council rather than FuturePlaces. A timeline had been requested but had not been provided yet. JG elaborated, advising that Council staff were carrying out an assessment of what work would have been commissioned and was therefore suitable to purchase, what work might be commissioned in future, and what work was unsuitable for purchasing. It was agreed that JG would review progress and provide a timeline if possible.

ACTION: JG to review masterplan valuation progress and circulate a timeline if possible.

- 5.4 GM highlighted that there was greater value within FuturePlaces than the work in progress, i.e. staff expertise, etc. It was highlighted that there could be differences of opinions regarding valuations of work in progress that had been commissioned by the Council under different leadership.
- 5.5 In response to a query from the Board, JG advised the process by which the Board would consider the Council’s Company valuation number and highlighted the yet to be agreed mechanism by which the Council would pay that value. (i.e. through

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revenue budget or through a write-off of the Company loan.) CB highlighted the need to ensure that any final agreed figure was defensible to the HMRC.

- 5.6 The Board suggested that the HMRC be contacted to set out the manner in which the valuation had been reached. FJ confirmed that the HMRC were one of the external creditors to be paid as part of a solvent wind-up process and therefore would be contacted as part of any wind-down. CB confirmed that the HMRC would not be able to provide pre-clearance on a valuation.
- 5.7 GM highlighted the need for the Board to understand what work the Council deemed a capitalised event. GM felt that the narrative in the Cabinet paper erroneously suggested that work had been carried out without being commissioned and therefore didn't contribute to capitalisation. However, much of the work carried out could contribute to capitalisation if the Council were to proceed with the outstanding strategic projects. GM asserted that the Cabinet paper also suggested FuturePlaces had a clear line to a point of capitalisation on a number of projects, but delivery of projects was not close, and advised this should be corrected. JG advised that the Council officers continued to work on these matters.
- 5.8 The Board sought advice from Pinsent Masons on whether it could conclude that the Company could continue to trade. FJ advised that in light of the received letter of assurance which confirmed that the Council intended to support the Company through any wind-down period, and the lack of material change to Company finances since the previous Board meeting, it would be appropriate for the Board to consider and conclude that the Company could continue to trade. FJ discussed that the Company was contemplating an additional draw-down of the working capital facilities provided by the Council and that this would be incurring new liabilities at a time with the Company's financial solvency was uncertain. However, in line with the assurances provided by the Council, it would not be inappropriate in the current circumstances for the Board to resolve to incur these liabilities at the current time.
- 5.9 FJ advised that Pinsent Masons was now working in collaboration with the Council on production of indemnity documents. Drafts were to be shared at a future meeting.
- 5.10 CB placed on record his thanks to the Council for provision of the assurance letter and sought the Board's agreement for the draw-down of £250k as set out in the report.
- 5.11 The Board agreed that, as a result of the financial update provided at the meeting and the legal advice received, the Company continued to have a reasonable prospect of avoiding insolvent liquidation and administration and could continue trading as a going concern. The Board also agreed the proposed draw-down of £250k.

6. UPDATE ON DRAFT LETTER OF ASSURANCE

- 6.1 The update on the letter of assurance was addressed as part of the discussion agenda item 5.

7. PR AND COMMS

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- 7.1 GM highlighted recent reporting in local news. The Board reminded officers of the previous agreement that officers were to consult the Board prior to any press releases. JG confirmed that the story in the local news was not in response to a press release but was instead based on the publication of the draft cabinet report. A press briefing was scheduled for later in the day, at which KF would be present. JG advised that internal communications regarding FuturePlaces had been circulated to members of the Council's Senior Leadership. It was agreed that JG would forward a summary of these internal communications related to the Board.

ACTION: JG to forward a summary of internal communications to the Board.

- 7.2 CB suggested that ambiguity within the cabinet report regarding control/governance issues had resulted in public comments being directed at FuturePlaces staff rather than the Council. A number of FuturePlaces staff had raised concerns over defamatory comments. It was suggested that issues of control/governance failures had been identified as being the Council's responsibility, and the report should be corrected. JG advised that the Council had worked to address concerns raised by FuturePlaces on the content of the report, though further discussions could be held if concerns remained.
- 7.3 GM advised that a request had been submitted for the report to omit quoting the DLUHC review comments in full. JG advised that the report had maintained the quotes in full because the Council had accepted DLUHC governance review report in its entirety. GM advised that FuturePlaces staff did not agree on the accuracy of what was reported by DLUHC as governance issues raised had been resolved. It was suggested that the report could also be amended to highlight other companies also under review, to mitigate the focus on FuturePlaces and its staff.

(PH joined 11:13)

- 7.4 KF suggested that as the report was now in the public domain, it was the Board's responsibility to collectively manage how to discuss the report in public, and particularly at the forthcoming press briefing.
- 7.5 The communications plan, as set out in the accompanying papers, was highlighted. GM advised that concerns over the plan had been passed to the Council's Director of Communications. CB advised that key messaging had previously been agreed with GF, but that this had been superseded. CB suggested that the plan to clarify ambiguous wording regarding the concerns raised by DLUHC that had been directed at the Council, and should present greater balance by including reference to FuturePlaces having been referred to as "a thought leader" in the field, the awards the Company had received, and the positivity towards the work of the company in some sections of the public.
- 7.6 PH and IM suggested that it was not the purpose of the plan to act as an advocate for FuturePlaces and that upon reading the cabinet report and communication plan, they were satisfied that the FuturePlaces brand was not being tarnished.

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- 7.7 KF queried the handling plan's references to KF sending emails to suppliers and stakeholders. JG advised that the Council's Director of Communications and her team were working on a draft to send out to stakeholders in order to provide them with reassurance. GM advised that a list of stakeholders had been provided to the Council, but with contact details omitted due to GDPR regulations. JG advised that a separate letter had been sent to the Council's strategic stakeholders. It was agreed that draft wording of any proposed correspondence be forwarded to the Board, together with detail of any correspondence previously sent.

ACTION: That draft wording of any proposed correspondence, together with detail of any correspondence previously sent, be forwarded to the Board,

8. HUMAN RESOURCES UPDATE

- 8.1 GM confirmed that JG had met with FuturePlaces staff in the previous week to address questions. However, staff required written reassurance that their wages would be paid. Additionally, it was suggested that guidance be issued to staff on the various options and subsequent processes open to them. JG advised that this was in progress with the Council's Human Resources team and agreed that a draft would be shared.

ACTION:

- 1. That the Council confirm in writing via an all-staff email that all FuturePlaces staff wages are to be paid in full;**
- 2. That the draft guidance document for FuturePlaces staff be forwarded to the Board.**

- 8.2 CB advised that, further to the previous Board meeting, FuturePlaces staff had been asked to consent to their personal details being shared with the Council but only a small number of staff had consented.

9. BCP COUNCIL RECONFIRMATION OF TRANSITIONAL SCOPE OF FUTUREPLACES

- 9.1 GM confirmed that a further update on transitional scope would be provided at the next meeting. It was suggested that it would be helpful for JG to meet with CB/GM directly to discuss this in more detail.

10. BOARD RESPONSE TO CABINET PAPER

- 10.1 The Board's response to the cabinet paper was addressed during discussion on agenda items 5 and 6.

11. GOVERNANCE AND CONTROL

- 11.1 GM advised that meetings with the Council had been held in the previous week, at which concerns continued to be raised regarding narrative around

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governance/control issues and the need to avoid ambiguity when addressing such matters in reports and communications.

12. ANY OTHER BUSINESS

- 12.1 CB highlighted that he was yet to receive the commissioning plan. Discussions had been held with GF, including the need to identify who was to be taking on projects moving forward. It was agreed that in GF's absence, JG would provide a list of point people on each project to ensure a smooth handover.

ACTION: JG to provide a list of point people for each project.

- 12.2 CB referred to the confidential report considered at the 30 August Board meeting. JG provided an update on subsequent actions taken.

- 12.3 GM highlighted the need to carry out a habitat survey on Holes Bay. Previously, GF had agreed that the Company would not incur additional expenditure without shareholder and Board approval. However, due to its potential impact on the estate management programme and future grant applications, GF had been asked to consider this matter as an exception. It was agreed that JG would discuss this further with the Council's Head of Delivery.

ACTION – JG to discuss with the Council's Head of Delivery

- 12.4 The schedule of future Board meetings was discussed. It was agreed that the Board should continue to meet weekly, though this could be reviewed at the next meeting.
- 12.5 There being no further business the Chair closed the meeting at 11:57.

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BCP FUTUREPLACES LIMITED – Company number 13465045

BOARD MEETING - MINUTES

WEDNESDAY 20 SEPTEMBER 2023 at 17:00 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 (partial)

In Attendance:

Jess Gibbons (JG), COO BCP Council and Shareholder Representative
Neil Fraser (NF), BCP Deputy Head of Democratic Services and Interim Company Secretary
Faith James (FJ), Pinsent Masons
Charles Maunder (CM), Pinsent Masons
Graham Farrant (GF), CEO BCP Council and Shareholder Representative

1. WELCOME AND APOLOGIES FOR ABSENCE

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

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 06 SEPTEMBER 2023 AND REVIEW OF ACTION LOG

- 4.1 The minutes of the meeting held on 06 September 2023 were considered and approved as a correct record.
- 4.2 The Board turned to the Action Log. JG provided an update on Action 45, advising that a list of contacts per project had been drafted and was ready to be circulated. The Board agreed that all future communication on such matters be circulated to GM/CB directly.

RESOLVED:

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1. That the minutes of the meeting held on 06 September 2023 be approved as a true record.

5. UPDATE ON COMPANY'S FINANCIAL POSITION

- 5.1 CB provided a financial update as set out in the accompanying report, advising that there had been no material changes since the previous Board meeting.
- 5.2 The Board was provided with clarity on the draw-down of additional funds as discussed at the previous meeting. The Board was advised that while officers had been authorised to draw-down additional money if needed, Company finances were such that this would not be required in the coming week.
- 5.3 The Board sought clarity on who would be managing p2p payments after October 2023. The Board were advised that this would depend on who remained with the Company, but that there would be someone assigned to manage the process as required.
- 5.4 The Board sought advice from Pinsent Masons on whether it could conclude that the Company could continue to trade. CM advised that there was no material change to Company finances since the previous Board meeting, and accordingly in light of the fact that the Company continued to have sufficient cash available to it in order to meet its liabilities as they fell due, could draw down further on its facility from the Council when further funding was required. In addition, the Company was in receipt of the letter of assurance from BCP Council which included assurances around continued funding and the release of the debt owed to the Council, and therefore it would be appropriate for the Board to consider and conclude that the Company could avoid insolvency and could continue to trade.
- 5.5 The Board agreed that, as a result of the legal advice received, the Company continued to have a reasonable prospect of avoiding insolvent liquidation and administration and could continue trading as a going concern.

6. HR UPDATE

- 6.1 CB advised that a Question-and-Answer session with Council officers, Councilors and Company staff had been held in the previous week, which had provided background to TUPE process. GM placed on record her thanks to the Leader of the Council for making herself available to attend the session.
- 6.2 CB highlighted a query from a Company staff member regarding a resignation and early release from their notice period. The staff member in question had little material work remaining, and there was a risk that the Company would be paying a salary for no work during the bulk of the notice period. The Board agreed that this staff member, and any staff members similarly wishing to resign, should be offered the choice of 1. working their full notice period and being assigned Council work, (if necessary through a secondment arrangement), for the period, or 2. be granted a reduced notice period with payment only for the period to be worked.

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7. DRAFT IMDEMNITIES

- 7.1 The draft indemnity documents were highlighted. The Board agreed that a sub-committee be held between Pinsent Masons, KF and GM in the week commencing 25/09 to discuss revisions to the documents.

ACTION: Pinsent Masons, KF and GM to meet in the week commencing 25/09 to discuss revisions to the indemnity documents.

8. ANY OTHER BUSINESS

- 8.1 KF advised that she would be attending the Overview & Scrutiny meeting in the evening of 20/09, supported by PH. It was confirmed that GM had submitted a written statement in her personal capacity, to be read at the meeting and which would be circulated to the Board following the Board meeting.
- 8.2 There being no further business the Chair closed the meeting at 17:29.