

AUDIT AND GOVERNANCE COMMITTEE



Report subject	PART A - BCP FuturePlaces Investigation Report (Scope items 1 to 4)
Meeting date	24 September 2025
Status	Public Report
Executive summary	<p>This report details Part A - BCP FuturePlaces Ltd investigation findings covering scope areas 1 to 4.</p> <p>The Chair of A&G Committee has determined a second meeting will be arranged in October 2025 to receive Part B and final report, covering scope areas 5 to 8.</p> <p>Receiving the report over two meetings will allow the Committee sufficient time to digest and review the findings to determine next steps. It will also allow the investigator more time to conclude findings in scope areas 5 to 8.</p> <p>At the conclusion of this investigation there may still be gaps in understanding, and the Committee may or may not decide that further investigation through other means is required.</p>
Recommendations	<p>It is RECOMMENDED that A&G Committee notes:</p> <ul style="list-style-type: none"> • the Part A Internal Audit investigation findings report covering scope areas 1 to 4. • that a Part B and final investigation findings report will be presented to Committee in October 2025, covering scope areas 5 to 8. • any changes necessary to Part A investigation findings in scope areas 1 to 4, as a result of or impact of findings to scope areas 5 to 8, will be highlighted to the Committee in the Part B and final report.
Reason for recommendations	To note the investigation findings for scope areas 1 to 4.
Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance (HAMA)

	☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For decision

Background

1. The BCP Council Audit & Governance Committee has previously agreed that some form of investigation was necessary into the arrangements surrounding the creation, operational period and closing of BCP Council's urban regeneration company, known as BCP FuturePlaces Limited (FPL).
2. At the meeting on 20 March 2025, the A&G Committee received a detailed report from the Monitoring Officer containing:
 - Appendix One - a chronology of BCP Council's decision making as it relates to BCP FuturePlaces Limited and latterly the Council's approach to shareholder governance.
 - Appendix Two - a chronology of the governance documents published which reference BCP FuturePlaces Limited.
 - Appendix Three - a chronology of the agenda and minutes for Board Meetings of BCP FuturePlaces Limited.
3. At the meeting on 20 March 2025, the A&G Committee agreed the following (direct lift from minutes):

REVIEW OF BCP FUTUREPLACES LTD:

RESOLVED that an investigation be carried out by Internal Audit, the scope of which to include:

- the received minutes of BCP FuturePlaces Limited,
- decisions made at Cabinet and other committees,
- a request that IT retrieve any available emails and communications to allow Internal Audit to conduct an oversight of those communications, this to be limited to information in the electronic domain/that is recoverable from BCP Council and BCP FuturePlaces Limited servers and only to apply to current and past officers and councillors and to delegate authority to the Monitoring Officer in consultation with the Head of Audit and Management Assurance and other Statutory Officers to set the parameters of any email searches

with a report back to the Committee in six months.

Voting: For – 4, Against – 3, Abstain – 2

4. The resolution above provided a useful framework on **'how'** the investigation should be conducted with the setting of search and evidence gathering boundaries.
5. The Head of Audit & Management Assurance (HAMA), the investigator, created a draft scope, for Committee to agree at the A&G Committee meeting on 29 May 2025. This scope sought to identify **'what'** the committee wanted investigating.

6. The scope took into account:
- Views aired by committee members in previous meetings;
 - Views aired by committee members* in response to an earlier version of this draft scope circulated for comment;
 - Views of BCP residents* who have taken time to send their comments to committee members;
 - Views of other councillors* who have taken time to send their comments to committee members.

*Some committee members and the public suggested further and more detailed questions to be explicitly included within the scope. Committee agreed that a significant majority of these questions would be logically answered in ascertaining the facts pertaining to the scope areas as drafted. It was noted that some of the questions were already answered within the information provided to the committee on 20 March 20025 (see 2 above).

7. The A&G Committee, 29 March 2025, agreed the scope of the Internal Audit investigation as shown at Appendix 1 of that report and as amended following the committee's discussion.

Revised Expectations and Timelines

8. It was initially resolved that this investigation should seek to report back to Committee in six months. That would be approximately by the end of September 2025.
9. A number of factors were also taken into account:
- The exact scope of the investigation was unknown at that stage;
 - Committee members and the previous Chief Executive expressed a preference for some form of interim reporting before the Chief Executive retired from the Council at the end of August 2025;
 - The investigation, even with a pre-defined scope, may 'creep' as facts remain unanswered initially.
10. It was subsequently agreed that an extra meeting of the Committee would be held on 18 August 2025 to receive an 'Interim' report.
11. This meeting was cancelled due to a local by-election and as an alternative the previous Chief Executive has provided comment on specific scope items and on more general matters. Where relevant the Chief Executive comments are included in this report.
12. The Chair of A&G Committee, Cllr Connolly has decided, after consultation, that Committee should receive the report in two parts, given the length and detail. Cllr Connolly felt Committee would not have adequate time in one meeting to robustly consider all elements.
13. Cllr Connolly has determined that the A&G Committee meeting on 24 September 2024 should receive 'Part A', covering scope items 1 to 4, and a subsequent meeting would receive 'Part B' and final report incorporating scope items 5 to 8.
14. This approach also provides the investigator time to finalise investigation work particularly scope items 5 - 8 and to write findings up for a further meeting of the Committee to consider in late October 2025.

This Part A BCP FuturePlaces investigation report – scope areas 1 to 4

15. All agreed scope items 1 to 4, and the 16 sub-scope questions have been reported on in this Part A report.
16. Specific points to note are:
 - Timeline of events, particularly 1.1 Table 2 - BCP FUTUREPLACES LIMITED (FPL)TIMELINE OF EVENTS, is relevant as far as is practicable to the scope items in this report. – *the timeline does not attempt to be an exhaustive timeline of every event involving FPL and BCP Council (as FPL Shareholder). This was a matter of judgement by the investigator.*
 - Scope Item 4 – Detailed expenditure incurred by FPL – is an area of the scope where A&G Committee members have also received a separate detailed briefing (18/9/2025).

Independence of Internal Audit

17. Internal Audit and the HAMA work to a strict set of professional standards and a code of ethics, and the work is done with complete independence and objectivity.
18. The team has been externally assessed as compliant with those professional standards and code of ethics.
19. The HAMA in BCP Council operates within an environment where senior leaders and councillors respect the independence and objectivity that the HAMA is required to operate within.
20. Previous meetings were told that the HAMA would immediately inform the chair of Audit & Governance committee, the external auditor and relevant professional body if any individual seeks to influence or instruct the HAMA in any way which impacts independence or objectivity of this investigation. No such escalation has been required.

Options Appraisal

21. A&G Committee has previously discussed and voted on the options for this investigation. An initial Internal Audit led investigation was agreed.
22. A&G Committee members have recognised that, at the conclusion of this investigation, there may still be gaps in understanding, some scope sub-questions may not be fully answered or resolved.
23. The Committee may, or may not, decide that further investigation through other means is required. Other means could include:
 - Specific questions posed to specific individuals (accepting that individuals who have left the Council, or FPL may choose to ignore the request).
 - Commission further specific lines of enquiry – defining the scope and identifying suitable person(s) to perform the task.

Summary of financial implications

24. The Council's in-house Internal Audit team has conducted the investigation via salaried staff, mainly the HAMA. The cost of the investigation to date (24/9/25) is approximately £25,650. (57 days x £450 day rate).

57 days assumes the standard working day of 7.5 hours. In order to meet the agreed timetable for reporting, working days have increased beyond this standard, additional hours worked are approximately 60 hours. The notional cost* of these additional hours is approximately £3,600 ((60 / 7.5)x450).

**notional - because the Council has not incurred these costs in salaries, overtime or payment in lieu.*

Summary of legal implications

25. There are no direct legal implications from this report.

Summary of human resources implications

26. There are no direct human resources implications from this report.

Summary of sustainability impact

27. There are no direct sustainability impact implications from this report.

Summary of public health implications

28. There are no direct public health implications from this report.

Summary of equality implications

29. There are no direct equality implications from this report.

Summary of risk assessment

30. The risk implications are set out in the content of this report.

Background papers

None

Appendices

PART A (Scope items 1 to 4) - INTERNAL AUDIT REPORT

Creation, operational running and closure of BCP FuturePlaces Ltd. (Company no. 13465045)

Confidential Appendix (Section F of the report)