AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Final summary - BCP FuturePlaces (FPL) Investigation Report**
Meeting date	16 July 2026
Status	Public Report
Executive summary	This report is a summary of the BCP FuturePlaces Ltd (FPL) investigation process initiated by the Audit & Governance (A&G) Committee. The A&G committee agreed a scope and then considered the findings of a detailed investigation led by Internal Audit. The Committee considered the investigation report over three public meetings. One non-public financial focused briefing also took place. The Committee, via the Chairperson, asked a series of follow up bespoke questions to seek the perspectives from several relevant stakeholders. The Committee agreed that the Chairperson would write a forward statement to summarise the investigation and provide an overview of what the Committee considered, including the perspectives of stakeholders, drawing the investigation to a conclusion.
Recommendations	**It is RECOMMENDED that A&G Committee:** **1. Notes the Chair's forward statement, set out in Appendix 1, which pulls together a 'wraparound' overview of what the Committee has considered through the investigation.** **2. Notes the Internal Audit led investigation findings report for scope areas 1 to 8, set out in Appendix 2.** **3. Recommends to Council, the 18 recommendations, made within the Internal Audit led investigation report and adds any other recommendations that may result from perspectives received from stakeholders.** **4. Agrees the investigation process initiated by the A&G Committee is concluded.**
. Oason for recommendations	To summarise and finalise the A&G initiated investigation into the set-up, operation and closure of BCP FuturePlaces Ltd.
Portfolio Holder(s):	Cllr Mike Cox, Finance

Corporate Director	Aidan Dunn, Chief Executive
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Wards	Council-wide
Classification	For decision

Background

1. The BCP Council Audit & Governance Committee previously agreed an investigation scope surrounding the creation, operational period and closing of BCP Council's urban regeneration company, known as BCP FuturePlaces Limited (FPL).
2. The Committee considered the findings of a detailed investigation report led by Internal Audit over three public meetings (24 September 2025, 6 November 2025, 3 December 2025). One non-public finance briefing also took place (18 September 2025).
3. Whilst the Internal Audit investigation sought to cover all the agreed scope areas, the Committee also agreed that during that phase it would be inappropriate for former councillors, former BCP employee and former FPL employees, to be interviewed. These individuals were however provided with the Committee's agreed scope and were offered the opportunity to pass their comments or observations to the Chair or the Investigator (the Head of Audit & Management Assurance).
4. At the last of the three meetings covering the investigation the Committee considered next steps, the following key discussions took place:
   - The Committee did not yet feel in a position to finalise the report and adopt any recommendations until Members had the opportunity to ask written questions of relevant stakeholders involved in FuturePlaces.
   - Members discussed the procedure for submitting questions through the Chair and the timescales for responding. It was noted that there was no obligation to reply.
   - The Monitoring Officer commented on right to reply principles and the need to be aware of certain caveats, including a need to phrase questions with care.
   - To ensure a consistent approach was followed, stakeholders who had already supplied previous submissions (some of which had been out of scope) would be included in the questioning process.
5. The HAMA clarified that his final 18 recommendations were as set out in his report, at section C of that report. Any further recommendations or comments were a matter for the Committee to progress.
6. The Committee indicated that it was minded to accept, in principle, the 18 recommendations at Appendix C but agreed to formally consider these and any

further recommendations from Members at a future meeting as part of a final report together with any information provided by relevant stakeholders in response to the committee's questions.

7. The Chair acknowledged that there were differing views among Committee Members on the question of whether and when any external work would be required but she felt it was important to keep this option open.
8. After consideration of all the factors, the following actions associated with next steps were formally agreed:
   - Committee Members to send questions for relevant stakeholders involved in FuturePlaces to the Chair asap
   - Chair to seek advice of the Monitoring Officer on the phrasing of questions and then arrange for final list to be circulated to Committee
   - Issue written questions to the relevant stakeholders week ending 12 December 2025 and seek written responses by mid January 2026. *These dates were extended slightly in reality.*
   - A final report to be presented to the Committee in early 2026, comprising a Forward from the Chair (a draft of which to be shared with the committee), and the draft Internal Audit investigation report.
   - Recommendations to be finalised and agreed by the Committee and referred to Cabinet and Council.

Questions posed to Stakeholders and the subsequent replies

9. Questions were posed to a series of stakeholders adopting the principles laid out in 8 above.
10. The responses and perspectives received from the respondents have been reflected in the Chair's Forward Statement.

Summary and Forward by the Chair

11. The Chair has prepared a Forward statement as agreed at 8. The Chair's Forward seeks to summarise the investigation and draw out key themes of the initial Internal Audit led investigation report, as well as reflecting subsequent responses from stakeholders.
12. The Chair's forward statement is shown at Appendix 1.

Internal Audit report

13. The Internal Audit report is shown at Appendix 2 for ease of reference, but is identical to the report presented to Committee on 3 December 2026.
14. The report covers scope areas agreed by the committee numbered 1 to 8, the main findings are set out in Section B, Section C includes 18 recommendations.

Recommendations to be finalised by A&G Committee and referred to Cabinet and Council

15. The 18 recommendations made in the internal audit report are set out in the table below for ease of reference.
16. In their Value for Money Report the Council's External Auditor, Grant Thornton, is expecting these recommendations to be implemented and accordingly made an improvement recommendation.

17. Through an agreed motion, the A&G Committee may wish to add their own recommendations.

Whereabouts in Internal Audit report	No.	Recommendation	Assigned to, Target date
3.1	1	As a matter of formal policy, senior* company executive directors should be appointed via Council instigated open advertising, which should be live for at least 15 working days (3 weeks) **the Council should pick a grade or £ salary banding to define senior, say above £75,000?*	Head of Paid Service, (or delegate) Immediately
3.1	2	Company executive directors should be selected using the same selection/interview process adopted for Council Corporate Directors	Head of Paid Service, (or delegate) Immediately
3.2.9	3	Councillors who are also company directors may proffer evidence or advice to the council (when and if invited to do so) but must not be a party to (take part in voting) making a decision of the Council affecting the company.	Monitoring Officer, immediately
3.2.10	4	For all existing Council companies ensure that the required/approved/agreed governance documents are actually in place and up-to-date.	Company Secretary/Company link officers, 01/04/2026
3.2.10	5	For any new council company to be set up in future, all governance documents must be agreed and signed by the council and company representatives within six months of company incorporation date. Any exceptions must be escalated to the Shareholder Advisory Board by the shareholder representative and company secretary	Shareholder representative and Company Secretary Immediately
3.2.25 (A)	6	The Council should pre-define, in the Shareholder Agreement or other suitable governance document, what natural evolution of a project looks like and what is a more fundamental tangent sub-project (from any original Cabinet or Council agreed Commissioning Plan or Business Plan project).	Shareholder Advisory Board 1/04/2026
3.2.25 (B)	7	Further, what is the trigger that means a decision is required from councillors (Cabinet) to materially evolve a project – this could be budget increase or decrease for example as a proxy.	
3.3.5	8	As a matter of formal Policy the Council should determine whether, to evidence the Teckal decisive control test, council Teckal companies should follow all Council policies (or some key Council policies or be free to operate their own policies agreed by the company board).	Shareholder Advisory Board 01/04/2026
3.4.9	9	Publish (public reports) all BCP Council Teckal company Business Plans and financial information including budgets and financial outturn.	Company Secretary /Company link officers 01/04/2026

4.1.2	10	Full P&L accounts should be filed/delivered to the registrar (Companies House) to enhance transparency and public understanding.	Company Secretary With effect from 2025/26 reporting
5.1	11	Any proposal or Business Plan where any bonus payment scheme is suggested must be firstly agreed by the Shareholder Advisory Board and then by Full Council.	Shareholder Advisory Board Immediately
5.1.3 (and 6.3.4)	12	Shareholder Agreement – Reserved matters pages may be enhanced by sub-sections; it may be appropriate that for certain reserved matters the approval by Full Council should apply, whereas other reserved matters may be approved by some other decision maker – proportionality being the driver for this decision	Shareholder Advisory Board 01/04/2026
5.3	13	The Council should stipulate that future declarations of interest, made by company directors, should be more than just a list of entities or bodies – the actual interest should be clearly recorded, such as a member of / director of and should include whether the interest is paid/non-paid/voluntary/on the basis of their roles (as a Councillor or MP or similar)	Shareholder Advisory Board Immediately
5.5	14	Council companies should physically locate, as an office base, in a council owned property, the council must appropriately charge the company for that occupation. Any proposal to occupy third party premises must be firstly approved by the Shareholder Advisory Board and then Full Council.	Shareholder Advisory Board Immediately
6.2.2	15	Any Shareholder Agreement, should formally define the role of the shareholder representative.	Shareholder Advisory Board 01/04/2026
6.3.7	16	The Council should consider whether a 'Reserved Matter log' be kept by the company secretary and or commissioning team which shows sequentially, by date, any reserved matter approval decisions and who or what Council entity made the decision.	Shareholder Advisory Board 01/04/2026
8.1.4, 8.1.5 and 8.1.14	17	An action plan be agreed by the Shareholder Advisory Board to progress the governance reviews of council companies as agreed in respect Cabinet and Audit & Governance – the action plan should specifically include the plan to terminate councillors as company directors.	Shareholder Advisory Board 01/04/2026
8.1.9 8.1.10	18	Shareholder Advisory Board and Shareholder Operations Board meetings (x3 per year, minimum) to be added to the corporate calendar.	Chief Executive Immediately

End of recommendations

Options Appraisal

18. A&G Committee has previously discussed and voted on the options for this investigation. An initial Internal Audit led investigation was agreed.
19. Some A&G Committee members have previously recognised that, at the conclusion of this investigation, there may still be gaps in understanding, questions may be unanswered and some matters may be unresolved.
20. The Committee may, or may not, decide that further investigation through other means is required. Other means could include:
    - Further 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

21. The Head of Audit & Management Assurance conducted the initial Internal Audit led investigation, utilising some limited support from other salaried staff in the team. The cost of the investigation to date (30/6/26) was approximately £38,250. (85 days x £450 day rate).

    85 days assumes the standard working day of 7.5 hours. In order to meet the agreed timetable for reporting, working days increased beyond this standard, additional hours worked were approximately 90 hours. The notional cost* of these additional hours is approximately £5,400 ((90 / 7.5) x 450).

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

Various A&G Committee reports including 24 September 2025, 6 November 2025 and 6 December 2025

Appendices

Appendix 1 – Summary and Forward by the Chair

Appendix 2 – Internal Audit Report – Creation, operational running and closure of BCP FuturePlaces Ltd (Company no. 13465045)