

## **COUNCIL**

Minutes of a meeting of the Council of Bolsover District Council held in the Council Chamber, The Arc, Clowne on Wednesday, 9 July 2025 at 10:00 hours.

### **PRESENT:-**

Members:-

Councillor Duncan Haywood in the Chair

Councillors David Bennett, Anne Clarke, Rowan Clarke, Amanda Davis, Mary Dooley, Will Fletcher, Louise Fox, Steve Fritchley, Justin Gilbody, Donna Hales, Mark Hinman, Cathy Jeffery, Chris Kane, Lucy King, Tom Kirkham, Tom Munro, Sandra Peake, Lisa Powell, Jeanne Raspin, Sally Renshaw, John Ritchie, Phil Smith, Emma Stevenson, Janet Tait, Ashley Taylor, Catherine Tite, Rita Turner, Ross Walker, Vicky Waplington, Deborah Watson, Jen Wilson and Jane Yates.

Officers:- Karen Hanson (Chief Executive), Steve Brunt (Strategic Director of Services), Theresa Fletcher (Director of Finance & Section 151 Officer), Jim Fieldsend (Director of Governance and Legal Services & Monitoring Officer), Sarah Kay (Interim Director of Planning, Devolution & Corporate Policy), Angelika Kaufhold (Governance and Civic Manager) and Matthew Kerry (Governance and Civic Officer).

Prior to the formal commencement of the agenda Councillor Deborah Watson asked why there were no public questions allowed on the agenda. The Monitoring Officer stated that the inclusion of questions could be restricted and confirmed members of the public were advised to submit these through their ward councillors or write in. Public questions could be rejected by the Monitoring Officer if they related to an item on the agenda for that Council meeting (Part 4.1 Council Procedure Rules 8.4 (f)).

### **CL26-25/26 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Rob Hiney-Saunders, Duncan McGregor and Clive Moesby.

### **CL27-25/26 DECLARATIONS OF INTEREST**

There were no declarations made at the meeting.

### **CL28-25/26 LOCAL PARTNERSHIPS' REVIEW OF THE COUNCIL'S DRAGONFLY COMPANIES**

Consideration was given to the Review Report of the Dragonfly Companies and presentation made by Local Partnerships.

The Leader introduced the item confirming the background to the decision to seek an external review of the Dragonfly Companies by Local Partnerships and her promise that the report would be made public and considered by Council. The representatives from

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Local Partnerships comprised Simon Bandy and Vivien Holland in person to present the report. In addition, Michael Coughlin was introduced to the Council via Teams. Mr Coughlin is a consultant who has been commissioned to support the Council going forwards.

The presentation included:

### **Summary of findings and recommendations**

Summary of findings and recommendations confirmed that the review had identified several significant issues which related to:

- Building blocks of good governance – including the lack of clarity of purpose which caused confusion and conflict between the Council and Companies including the lack of an up to date, comprehensive company business plan which should follow on from the business case and would clearly define how the Companies would deliver the Council's requirements and could be used as a basis for monitoring performance.
- Difficulties in the working relationships between the Companies and the Council as a result of the aforementioned governance issues.

It was confirmed that the following conditions would need to be met if it was decided to retain the Companies:

- The Council should ensure it had additional management resource and clienting capabilities.
- The Companies would need to ensure there was sufficient resource including a dedicated finance function.
- Clarity of purpose as set out in a refreshed and more comprehensive business plan for both Companies.
- Creation of a working group to re-set the relationship between the Companies and the Council which should be underpinned by an operating agreement which both parties should sign up to.
- Changes to the Company Board membership.
- Adherence to all Company rules including reserved matters had to be assured.
- A more robust framework in place around meetings including regular meetings of the senior management of both Companies and the Council to underpin an improved working relationship.

The steps and conditions needed in the event the business case review suggested there was no role for the Companies, and they were dissolved. The Council must ensure it had the:

- capacity to support a working group to lead the transition;

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- capability (or plans to acquire it) to deliver the services in-house;
- ambition for any continued development which would not exceed the Council's own limits;
- financial resources sufficient to cover any TUPE implications and other staffing implications;
- resource and due diligence relating to the transfer of contracts from the Companies to the Council;
- a clear stakeholder and staff plan was needed; and
- that any potential adverse financial implications were understood.

The detailed recommendations related to:

- Purpose of the Companies, including the need for a business case and business plan.
- Changes to the Shareholder Board to make it into a formal committee.
- Reserved matters ensuring that control through reserved matters was actioned.
- Conflicts of interest for Members and ensuring mitigations were in place.
- The Company Board and ensuring that the directors collectively had the necessary skills and capacity.
- Clienting – ensuring the Council developed and retained the necessary clienting skills.

It was confirmed that Shared Services was not an option at this point given Local Government Reorganisation (LGR).

The potential future options and scores from the options appraisal were:

- **Option 1** - continue with the existing model retaining both companies with an improvement plan. The advantages of this would be that the Council would retain an arm's length overview with no significant changes. However, the disadvantages included that the current challenges had to be addressed, and it would take time to see any improvements. The total score was 13 and this option was not considered a viable option due to the resources needed for the improvement plan which may ultimately not achieve the desired goal.
- **Option 2** - to retain Dragonfly Development and for Dragonfly Management to be brought back in-house. This would maintain the development opportunities but result in the dissolution of Dragonfly Management as it would be brought back in-house. The advantages included the Council having greater control over the service and costs whilst still being able to undertake development commercially.

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The total score for this option was 19. This option would still necessitate all the governance changes required for a company including a board of directors.

- **Option 3** - to bring both Companies back in-house. This would necessitate dissolving both Companies with staff and all operations being brought in-house. Dragonfly Development could continue with a development function or the running down of the development function once current projects were completed. This would enable the Council to have greater cost and quality control over both development and management activities. The disadvantages included that this would require considerable effort to undertake the transfer and thereafter management of both functions and would remove the opportunity for greater commercialism. The total score for this option was 19.5. **This was the preferred option** and would enable the Council to directly control the operations whilst allowing some commercial activity and it was confirmed that:

*“The Council has some statutory powers to provide some services commercially and can also charge for other discretionary services on a cost recovery basis. If work were to be carried out for external organisations it is most likely to be for other authorities and therefore this can equally be done in-house.”*

- **Option 4** – to transfer both Companies to a new Joint Venture (JV) or shared service. This would mean a shared risk and reward with improvements for greater commercialisation. Both Companies would have to be dissolved and it would take time and cost to identify new JV partners. The total score for this option was 12 and it was confirmed that this would be too complex and time-consuming and require significant resource.
- **Option 5** – to transfer both Companies to an existing established JV (eg Alliance Norse) which would mean shared risk and reward with faster opportunities for improvements. The disadvantages included that the market had not been tested, loss of some of the control and multi-partner JVs were complex. The total score for this option was 15.5 and would require discussions with all parties involved to determine whether it was a viable option but may not be politically acceptable.
- **Option 6** – to outsource both Companies would necessitate procurement of a provider of services with transfer of existing staff. Whilst the advantages included a focus on services and potentially lower cost it would require a time-consuming procurement exercise. This may not be popular with the workforce or politically as the Council would lose direct control. The total score for this option was 10 and whilst outsourcing was recognised to generally be the most cost-effective method of delivery if procured effectively it was unlikely to be politically acceptable.

### The conclusion was:

*“Having regard to the criteria against which the various options have been assessed, the Options Appraisal exercise has identified that Option 3, bringing the Companies back in-house, scores the highest, closely followed by Option 2, bringing just Dragonfly Management back in-house (at least initially) and is therefore likely to bring most benefit to the Council.*

*Whilst all options present a high degree of challenge and some risk, Option 3*

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*maintains cohesiveness of the operations of the current Companies, managed from within the Council, providing greater control and scrutiny of activity and finance.*

*The sensitive transfer into the Council of the whole body of Companies' staff, while a significant task, will follow established procedures and does not split the current workforce.*

*In light of LGR across Derbyshire, the opportunity to attract commercial work is likely to be substantially lessened, with a renewed focus on delivering within a comparatively short timeframe and ensuring a legacy for the Council, to the benefit of residents."*

### **Next steps:**

Subject to agreement to proceed with the preferred option by the Executive the next steps for the Council were to:

- secure a binding decision on the preferred option and way forward;
- task the Chief Executive to prepare a programme of project work for transitioning to the preferred model, including stabilisation of the Companies, to a target timeframe and indicative budget;
- Development of the work programme to include streams relating to:
  - Staffing – changes to terms and conditions, management of the process and capacity.
  - Legal matters including novation of contracts.
  - Financial considerations and implications.
  - Stakeholder engagement, internal and external, including Councillors.
  - Communication.
  - Governance, reporting and scrutiny, including establishing a Programme Board.
  - The impact of LGR.
  - Timing and phasing of activity.

Subject to the aforementioned activities, a target date of 31<sup>st</sup> March 2026 should be established for completion.

Councillor John Ritchie presented the following information to Council:

### **Financial Statements**

- Dragonfly's financial statements were prepared and audited by an external

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accountant.

- Periods ending 30/06/2023 and 31/03/2024 have both been audited and the statements were public documents.
- The year to 31/03/2025 was in the process of being audited but we had received estimated results from the Dragonfly auditor to be included in the Council's group financial statements.

### **From the independently produced financial statements:**

| <b>Period end</b>                       | <b>Audited</b> | <b>Result</b> | <b>£</b>           |
|-----------------------------------------|----------------|---------------|--------------------|
| 31/06/2023                              | Yes            | Loss          | 1,020,934          |
| 31/03/2024                              | Yes            | Profit        | (808,803)          |
| 31/03/2025                              | Not yet        | Profit        | (2,299,264)        |
| <b>Cumulative net profit</b>            |                |               | <b>(2,087,133)</b> |
| 2024/25 Tax liability payable           |                |               | 480,615            |
| <b>Cumulative net profit – post tax</b> |                |               | <b>(1,606,518)</b> |

### **Adjustments for Bolsover District Council new costs:**

|                                                                                                                               | <b>£</b>           |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Cumulative net profit – post tax - from the previous slide</b>                                                             | <b>(1,606,518)</b> |
| Estimate of the cost to BDC, of staff time spent managing and operating the companies over the period 01/10/2022 – 31/03/2025 | 405,109            |
| Cost to BDC, of increasing staff budgets to account for the increase in Dragonfly staff budgets for 2024/25                   | 176,587            |
| Cost to BDC for increases in professional services for auditors and solicitors specific to Dragonfly                          | 155,056            |
| <b>Balance of cumulative net profit – after tax</b>                                                                           | <b>(869,766)</b>   |

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### External and internal profit

|                                                        | £                  |
|--------------------------------------------------------|--------------------|
| <b>The cumulative net profit</b>                       | <b>(2,087,133)</b> |
| Estimated profit from external schemes                 | 436,358            |
| <b>Therefore, assumed profit from internal schemes</b> | <b>(1,650,775)</b> |

|                                                  | £                  |
|--------------------------------------------------|--------------------|
| <b>The cumulative net profit</b>                 | <b>(2,087,133)</b> |
| Less internal schemes profit                     | 1,650,775          |
| Less 2024/25 Tax liability payable               | 480,615            |
| <b>Cumulative net loss from external sources</b> | <b>44,257</b>      |

Following the presentation the following questions, responses and comments were made:

Councillor Deborah Watson stated that she believed there were inaccuracies in the Local Partnership's report and sought to table additional papers at the meeting which was declined. The issues and alleged inaccuracies raised by Councillor Deborah Watson included:

- Page 16 of the agenda pack, (page 9) of the Local Partnerships Report, Finding 1, it was stated that *"The Development Company was set up assuming that more than 20% of its work would be non-owner work but this has not happened."* Councillor Watson sought clarity as she stated under the law the company was not allowed to undertake more than 20% of non-owner work.
  - It was confirmed that this related to the non Teckal element. The Monitoring Officer added that Dragonfly Development was established to undertake the non Teckal element so it could undertake commercial work beyond the Teckal element. Councillor Watson challenged this view and added that the Dragonfly staff had not been invited to this meeting.
- Page 20, claims the company had not observed reserved matters, Councillor Watson claimed this was incorrect and the company had at all times correctly observed the rules which was confirmed in a legal briefing from Freeths. The proposal for a new management structure was an agreement simply to go to consultation with staff and a full report would have gone to Council. Freeth's legal opinion was that this was a sensible and pro-active step to take. With regards to the appointment of the Chair, the Chief Executive was present, a new Chair had to be elected at that point as the previous Chair had resigned and left the meeting. The statement that reserved matters had been breached was challenged when that wasn't the case.

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- The Chief Executive confirmed the Council's view was that reserved matters had not been complied with; it stated very clearly that reserved matters in relation to changes regarding the Company Chief Executive or any of the Company Senior Leadership Team of Dragonfly's Companies was a reserved matter. That didn't take place before the Dragonfly Board had agreed and approved the report presented by the Dragonfly Chief Executive to go out and consult with over 100 members of staff. This was not considered to be complying with reserved matters which were clearly written. In relation to the appointment of the Chair, a formal request to have this ratified by Council was not received by the Chief Executive or the Dragonfly Shareholder Board.
- Page 19 it stated that *"there is little evidence that the current Board has access to all the skills required to run such a high-risk Company collectively."* Clarification was sought on how this was determined as collectively the Board had all the skills required including experience working in housing, having degrees and the company had been successful. This Council had chosen the Members to become Directors.
  - It was confirmed that a range of skills etc would normally be expected and was considered good practice. These included having non-executive directors with a range of commercial skills which were more private sector outward looking skills rather than local government skills. This was not to criticise the skills of the Board but rather to highlight that you would expect to see skills and experience in finance, development, investment and treasury management, financial forecasting and business planning and sensitivity testing similar to those on a private sector board. The context of the report had identified these gaps in the skills on the Board.
- Councillor Tait asked why when the previous Chair of the Company Board resigned, the Council's Chief Executive sent out a request for another councillor to sit on the board. If there were concerns with the make-up of the Board at that time why wasn't this raised then, and why were they not asked to strengthen the Board or for the Board Members to step down?
  - The Chief Executive stated the Leadership at the time when the Chair of the Dragonfly Board stepped down was clear they wanted the membership of the Board to be comprised of councillors.
- Councillor Watson challenged the opinion that the Dragonfly Companies did not have a strategic risk register, as referred to page 22, section 10 which stated *"Risks are reviewed and managed within the Companies and do not fully align with the Council's strategic risk register. Company risks concentrate on operational rather than also covering strategic / corporate risks."* She asked for it to be made clear that the Companies had a risk register which was also reported to the Council.
  - It was confirmed that the Dragonfly Companies Risk Register included operational rather than strategic risks and the register was not aligned to the Council's Strategic Risk Register.
- Councillor Watson challenged the comments on page 25 under Finance which stated, *"The Council does not feel that sufficient financial information is being shared by the Companies at a strategic level to enable it to have a clear oversight of activities."*

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Councillor Watson stated that it was misleading as the Council managed the financial system and made all payments on behalf of the Companies. The examples cited had nothing to do with financial information being shared and in relation to grant funding the Council has oversight in two ways. Firstly, access to the cost codes within Dragonfly's accounts and secondly Dragonfly reports into the Council's Commissioning Board which oversees expenditure and progress on all grant funded schemes. It had been agreed from the outset that Dragonfly would use Council services to avoid the Council having to make any redundancies due to a large part of their work being removed. The only part of finance being done externally was the auditing of accounts as this sat outside the expertise of council officers. By bringing the Companies back in-house should there not be a reduction in the size of the Council's finance team?

- It was confirmed that this comment related to the strategic financial information and not day to day operational. It was acknowledged that the Council had put in additional financial resource but that people within the Council and the Companies were not well versed in complex commercial company related financial matters.
- Councillor Peake referenced a response provided by Councillor Ritchie when he was Portfolio Holder for Growth to a public question relating to whether the Dragonfly Companies had presented a risk to the Council either financially or reputationally at Council in December 2024. She questioned whether any consideration was being given to take legal action against the legal firms which had provided the original advice on the establishment of the Companies given that advice may not have been robust?
  - Councillor Ritchie confirmed that what was said on the 4<sup>th</sup> December 2024 was true at that time however, as a result of the due diligence undertaken since then they had reached this point.
  - The Chief Executive added that the original business case for the establishment of the Companies was very detailed and produced jointly by the Council and future Dragonfly staff. It had stated that a robust business plan was required with financial information and other matters needing to be actioned. The Local Partnerships review had identified that these had not been actioned by the companies. The process undertaken since September 2024, including the Statutory Officers' report and reports from the Council's auditors Forvis Mazars (both internally and externally) relating to the Council's Statement of Accounts had led to this point.
- Councillor Anne Clarke read out a letter from a constituent asking Councillor Munro, Portfolio Holder for Growth why the Council was adopting an adversarial attitude towards Dragonfly and its Directors? She stated Dragonfly had returned a profit of £3m in just over 2.5 years since its creation whilst also delivering high quality houses for the Council as well as rescuing projects which were already underway. This was a success story akin to the phoenix rising from the ashes. It had returned profits to the Council and Dragonfly had rescued various projects such as Shirebrook. Why was the Council trying to destroy a company which was producing a profit? The letter challenged the competency of officers and the Leadership of the Council and questioned what they were trying to hide.

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- Councillor Yates confirmed that all decisions need evidencing and recording and cited an example where the Executive had agreed a build project and price in Bolsover with Dragonfly but within a few days the price had increased by £1.5m. This was relayed verbally with no written evidence as to why it had increased provided. Two days later the price dropped again by over £2m with nothing presented in writing. This was why a full rationale in writing must be provided to show how the price was reached. The changing of prices within days without explanation was not acceptable.
- The Section 151 Officer clarified that 2 years of Dragonfly Financial Statements had been audited with one still in progress. These detailed a net profit of £2.1m which after tax was reduced to £1.6m.
- Councillor Kirkham stated that the profit being discussed was largely being made from services that the Council provided in-house which was funded by tax-payers money and that they were paying £400k back to HMRC just to run services within our own Council – how could they justify a structure where we delivered our own services and then paid tax for delivering them?
- Councillor Watson sought clarity from the Leader in relation to earlier comments relating to pricing changes and asked whether the Council had actually provided a scope of works to Dragonfly? She commented that the plans had changed and the original costings were over 2 years old and would naturally have increased due to rising build costs.
  - Councillor Yates confirmed that she had been present during discussions when the plans had been agreed on and that the two changes in pricing had occurred recently and that she had not received anything in writing.
  - In response to Councillor Kirkham's comments, Councillor Watson stated that they couldn't make profit on Dragonfly Management. If Council went to external builders, the cost would be plus 20% and not the 10% with Dragonfly.
- Councillor Walker stated Dragonfly was building houses which cost £50k to £60k more than buying direct from a builder without land purchase costs. Equivalent houses from builders were much cheaper. He also challenged the cost and quality of the buildings at the Crematorium.
- Councillor Watson questioned the Options Appraisal and stated that the commercial activities of the Dragonfly Companies could not be carried out by the Council given the definition of commercial was related to private enterprise and making a profit something which local authorities were not allowed to do?
  - Simon Bandy responded that in the first instance it was about definitions and being commercial was not just about making a profit but having a commercial approach in service delivery including understanding income and the costs, and how you can account for those and act in a commercial way. In effect being confident that the costs for those services were being covered in a commercial way. There were some areas in which the Council could work more commercially and create some income as a surplus.
- Councillor Watson requested copies of the detailed calculations to back up the

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assumptions in the options appraisals, impact assessments on each option and the risk register.

- The recommendation was to start the review of the business case, and the first stage was the options appraisal. As stated previously there was a lot of other work which needed to take place in terms of working up ideas and carrying out due diligence would follow from today's meeting. Then a decision had to be taken about the preferred option and moving that forward. It was a developing process and the procedure recommended by the Treasury for business case development within public sector organisations.
- Councillor Watson challenged the scoring in the options appraisal and suggested that retaining both Companies would be the least invasive, carrying out the improvements and putting in place the required governance arrangements which would improve the risk factors.
  - There was a significant risk outstanding that even by implementing all the improvements may not achieve the outcome the Council required. Option 1 required that all of the recommendations in the report be implemented and would create a significant amount of work in comparison to some of the other options.
- Councillor Stevenson stated that it was rumoured that no contract had ever been signed for the Shirebrook Market place project. She also posed a question to Councillor Ritchie asking why they had decided to disestablish the Dragonfly Board and whether the Shareholder Board would be reformed as a formal committee compliant with political balance requirements?
  - The Chief Executive confirmed that if it was decided to retain one or both of the Dragonfly Companies then a Shareholder Committee would be formed in accordance with the required governance procedures.
  - It was added that if the Companies were dissolved then there would be no requirement for a Shareholder Board.
- Councillor Stevenson stated that she was struggling with the report as it was open to interpretation and included a disclaimer. She sought clarity on the amount of taxpayers' money that had been spent on a report that could be open to interpretation and what the Council had spent on external consultants and reports?
  - It was confirmed by Local Partnerships that it was a standard procedure to include a disclaimer. The review had been carefully researched, with stakeholders from the Council and Dragonfly Companies being interviewed.
  - The Monitoring Officer stated that the issues relating to Shirebrook were not part of this meeting and he would look into the matter and provide further information after the meeting.
- Councillor Fletcher sought clarity from the S151 Officer relating to the 10% profit that Dragonfly charged on projects and whether this came from the Housing Revenue Account (HRA). If that was the case then was it the case that funds were

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being transferred from the HRA to the General Fund and what steps were in place to return funds to the HRA?

- The Section 151 Officer confirmed that the investment in Dragonfly was a General Fund investment as General Fund reserves had been used to establish the original joint venture, and therefore any profit had to be returned to the General Fund. A lot of the profit was from working on the HRA schemes. Early on when working through the business plan this was raised with the external consultants and the advice was that Dragonfly Companies only charged 10% profit to the schemes whereas external developers would in the past have been charging approximately 20%, meaning that by charging only 10% no rules were being broken.
- Councillor Kirkham highlighted that £2m or £3m profit had been mentioned of which £800k was from external projects. Where was the rest of the profit coming from if it was not from internal projects?
  - The S151 Officer stated the figure was £436k from external projects which had been confirmed by the auditors. The rest was assumed to be from internal Council projects namely the HRA and Crematorium at Shirebrook.
- Councillor Taylor sought clarification as to what external work had been undertaken by Dragonfly Companies or had it all been internal projects?
  - The Section 151 Officer stated that this would be for Dragonfly to respond to. Councillor Watson stated that some profit had come from Bursar Hill Bassetlaw and construction management advice that was provided and not necessarily build projects.
- Councillor Taylor added that he had been advised by the Chief Executive of Dragonfly that the profit for the financial years 2023/2024 and 2024/2025 had all come from internal Council projects.
- Councillor Watson asked whether the Council had the staffing capacity to undertake the major changes that the options appraisal appeared to support and requested that she be provided with a detailed assessment for bringing this work back in-house?
  - The Chief Executive confirmed that once a decision was made various work streams would commence with additional support as needed to ensure a smooth transition.
  - Staff roadshows had been held regularly by the Leader of the Council, Chief Executive and Deputy Chief Executive Officer of Dragonfly Development Ltd to update both Council and Dragonfly staff and provide relevant information as quickly as possible. The Leader had also issued a statement to all Dragonfly staff, and many had stayed behind for the update at last Friday's briefing.
  - She stated that they were doing everything possible to keep Dragonfly staff updated and reassured. The Leader added that she had been clear from the start, that despite various articles in the press, there were no planned

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job losses at either Dragonfly Development or Dragonfly Management Companies.

- Councillor Ritchie asked why the Company Chief Executive and staff from Dragonfly Companies were not present at the meeting. Councillor Watson stated that they had not been invited. The Chief Executive confirmed that she had spoken to both the Chief Executive and Strategic Director of Dragonfly about today's Council meeting and asked if they would both like to attend. Both stated they were not intending to attend this meeting.

Moved by Councillor Ritchie and seconded by Councillor Taylor that the report be noted.

In accordance with Council Procedure Rule 11 Councillor Watson proposed the following amendment to the recommendation which was seconded by Councillor Tait:

*“Council notes the content of the review but believes that for the avoidance of doubt, and prior to any decision being made on the future of Dragonfly, further accurate information must be provided to the Council, which should include a review of the companies themselves (as recommended by the Local Partnerships review), along with detailed impact assessments so all options can be fully understood.”*

Councillor Watson said the report had stated a review of the Companies should be undertaken and she questioned whether a review of the Council's governance would also be undertaken at the same time?

Councillor Hales confirmed that all the governance arrangements for the Companies, Directorships and the Council would be reviewed.

The Monitoring Officer confirmed that Council had the Local Partnerships review report and recommendations before them. The review of Dragonfly Development and Management was part of the process and would be considered as part of the decision making.

Councillor Watson summed up her reasons for the amendment.

On being put to the vote, the motion was lost.

Councillor Fritchley proposed that the original be amended to include:

*“proper and meaningful discussions to take place in a calm and collected way with all members participating and officers of both companies being involved.”*

Councillor Peake seconded the amendment and on being put to the vote the amendment was lost.

Council considered the substantive motion as previously moved by Councillor Ritchie and seconded by Councillor Taylor:

*“that Council note Local Partnerships’ report of the review of Bolsover District Council’s Dragonfly companies.”*

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Councillor Fletcher thanked Local Partnerships for their report stating that it was clear to him when it was confirmed Local Partnerships were undertaking the review it had been given to an organisation with clear expertise and leadership in this area. It was hard to imagine a better placed reviewer that could have been commissioned. Given this expertise it was right to treat their findings with the seriousness that they deserved, and it was clear from the report that the Dragonfly Companies were not delivering as originally intended. This should not undermine the good intentions of all when Dragonfly was set up. It was difficult to evidence the value for money and having looked at the options appraisal the key issue was to deliver value for money and bring the companies back in-house. Choosing between one or both companies in-house was a decision as to whether the Council wished to continue delivering significant commercial activity, but was noted there was little existing commercial activity and it was perverse to retain all of the risk of that structure without any of the benefits. A professional company had been commissioned to undertake the review, and Council should respect their findings.

Councillor Watson stated that there had been a pipeline of work under consideration but as a result of the review findings going public the potential external work has dried up due to bad publicity and the potential for making profits was lost.

Councillor Yates added that the only external profit was only £436k.

Councillor Hales stated that Dragonfly did not have an experienced Finance Officer which clearly had had an impact on the information provided to the Dragonfly Board. No finance reports were evidenced in the Dragonfly Board meetings and these finance reports would be expected at any company. This also had an impact on the outcome on the audit of the Council's accounts for 2023/24. For the first time in 50 years the Council had received a qualified judgement on the Council's accounts which was damaging to its reputation. It would have been helpful to understand why the Dragonfly Board had not employed an experienced financial officer of their own.

Councillors Fox and King had left the meeting prior to voting.

A recorded vote was requested in accordance with Council Procedure Rule 14.4 by Councillors Watson, Gilbody and Wilson.

For the motion – 20

Councillors Bennett, Davis, Dooley, Fletcher, Hales, Haywood, Hinman, Jeffery, Kirkham, Munro, Powell, Raspin, Renshaw, Ritchie, Smith, Taylor, Tite, Walker, Waplington and Yates

Against the motion – 11

Councillors A Clarke, R Clarke, Fritchley, Gilbody, Kane, Peake, Stevenson, Tait, Turner, Watson and Wilson

Moved by Councillor John Ritchie and seconded by Councillor Ashley Taylor  
**RESOLVED** that the Local Partnerships' report of its review of Bolsover District Council's Dragonfly companies be noted.

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### **CL29-25/26      CHAIRMAN'S CLOSING REMARKS**

The Chair formally closed the meeting.

The meeting concluded at 12:24 hours.