

## **Background Documentation – Past Review work**

### **Review of the relationship between Bolsover District Council and Robert Woodhead Ltd (RWL)**

**September 2020 – June 2021**

#### **Scope of the Review**

The Growth Scrutiny Committee agreed to undertake a Review of the relationship between Bolsover District Council and Robert Woodhead Ltd (RWL), as part of the 2020/21 Work Programme.

On deciding the review, Members agreed that further clarification was required in relation to the value for money of the contracts in place; procurement processes followed; consideration given to the potential financial risks to the authority; the current working relationship and monitoring/governance processes in place; and the process for regular review.

The review supported the Corporate Ambition of Economy and is directly linked to the corporate priority of:

- Enabling Housing Growth: increasing the supply, quality and range of housing to meet the needs of the growing population and support economic growth

The review directly related to the corporate targets of:

- ECO.05 - Annually review housing delivery in the district and facilitate delivery to meet the annual target of 272 new homes.
- ECO.07 - Deliver 150 new homes through the Bolsover Homes Programme by March 2024.

The aim of the review was:

- To ensure the contracts entered in to remain beneficial to the Council, provide value for money with adequate risk plans and governance frameworks agreed.

The key objectives identified were as follows:

- Analysis of the procurement process for existing contracts with RWL.
- Analysis of the set-up process for Dragonfly Developments, the joint venture company
- Evaluation of current relationship with RWL in relation to Dragonfly Developments including governance structure, communications, and how Scrutiny is engaged.
- Evaluation of governance and monitoring arrangements for Bolsover Homes framework and how Scrutiny is engaged.
- Analysis of Value for Money for BDC investment in current contracts.

- Investigation of how the Council ensures the wider contract achieves relevant growth benefits, including the economic, social and environmental impact of the contract and monitoring of said benefits.

The Committee comprised the following Members:

Councillor J. Wilson (Chair)	Councillor T. Clough (Vice Chair)
Councillor T. Munro	Councillor T. Kirkham
Councillor C. Kane	Councillor D. Adams
Councillor P. Roberts	Councillor D. Dixon
Councillor J. Clifton	Councillor G. Parkin (up to September 2020)
Councillor R. Walker (from February 2021)	Councillor J. Watson (up to November 2020)

### **Method of Review**

The Committee had an initial meeting to agree the scope of the review, and agreed to complete the review via a document review and presentation of verbal and written evidence by Officers to Committee.

Four evidence gathering sessions were held where Members heard from our Procurement team, and lead officers for the JVC (Dragonfly Developments Ltd.) and the Bolsover Homes programme – Director of Development and the Head of Property Services and Housing Repairs.

Members also reviewed the following documents:

- All documents associated with the procurement process for Bolsover Homes contract
- Summary of Committee reports considered as part of the creation of Dragonfly Developments Ltd.
- Progress Summary of Dragonfly Developments Ltd.
- BDC Risk Management Strategy 2020
- Bolsover Homes Contractors report Nr1 – Whitwell Cluster 17/11/2020

In comparing our experience of governance within company structures with neighbouring authorities, Members also looked at:

- Nottingham City Council Report in the Public Interest concerning the Council's governance arrangements for Robin Hood Energy Ltd.

### **Conclusions**

The Committee put together ten recommendations which they hoped would support improvements to the current governance arrangements, therefore improving risk

management. It was also hoped the recommendations would result in improved communication at a local level as developments come forward.

The key issues arising from the review were:

- Communication channels both with Members and wider public awareness of the programmes
- Governance arrangements – particularly in terms of reporting processes
- Evaluation processes used on completion of schemes to ensure required levels of customer satisfaction and lessons learned are applied to future schemes.

It was hoped that the recommendations set out in the review would further improve the Council's approach to development of new properties within the District, both council housing stock and private sector stock.

## **Stakeholders**

Stakeholders engaged during the Review:

- Portfolio Holder – Economic Development
- Director of Development
- Head of Housing Repairs & Property Services
- Procurement Manager
- Procurement Officer
- Head of Finance & Resources
- Solicitor to the Council and Monitoring Officer
- Deputy Monitoring Officer

Stakeholders impacted by the Review:

- Portfolio Holder – Economic Development
- Director of Development
- Head of Housing Repairs & Property Services
- Procurement Manager
- Procurement Officer
- Head of Finance & Resources
- Solicitor to the Council and Monitoring Officer
- BDC Members
- BDC Tenants
- Bolsover residents

## Recommendations

<b>PERFORM Code</b>	<b>Recommendation</b>	<b>Desired Outcome</b>	<b>Target Date</b>	<b>Lead Officer</b>	<b>Resources</b>	<b>Service Response</b>
GSc20/21 1.1	That in relation to the use of the framework EEM, consideration should be given to whether the framework approach is the best approach for engaging with local businesses the next time this is being tendered. Evidence of this decision should be published.	Transparent procurement practices in place for large-scale contracts, which include sufficient scope for local businesses to bid and be considered.		Director of Development; Head of Property Services & Housing Repairs; Procurement Manager	Officer time.	
GSc20/21 1.2	That the Member Development Programme is adapted to include further sessions on Dragonfly Developments to ensure greater Member understanding of this programme.	Improved Member knowledge of key council contracts and regeneration schemes.		Governance Manager; Director of Development; Head of Property Services & Housing Repairs	Officer time.	

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GSc20/21 1.3	That an Annual Report is produced by Dragonfly Developments and presented to Council and RWL Ltd.	Improved governance of Dragonfly Developments Ltd. and greater transparency of delivery by the company to all partners.		Director of Development; Head of Property Services & Housing Repairs	Officer time	
GSc20/21 1.4	That in respect of the Dragonfly project, the Committee request that the Executive re-evaluates Dragonfly Developments with a view to considering the viability of its future existence given the recent lack of new projects coming forward.	Value for money and ongoing viability of existing arrangement is re-assessed in light of current delivery and reported back to scrutiny. Executive to define forward delivery if still assessed as a viable means of delivery.		Director of Development; Head of Property Services & Housing Repairs		

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GSc20/21 1.5	That a procedure should be created or an existing procedure modified to ensure that local Ward Members and all additional relevant Members are consulted at the earliest possible stage (e.g. pre-planning application) before sites are brought forward for a Bolsover Homes project.	Greater local communication and improved engagement of local Members.		Director of Development; Head of Property Services & Housing Repairs		
GSc20/21 1.6	That the procedure should include a requirement for local Ward Members to be kept actively informed throughout development of an approved scheme.	Greater local communication and improved engagement of local Members.		Director of Development; Head of Property Services & Housing Repairs		

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GSc20/21 1.7	That a procedure should be created or an existing procedure modified to ensure that sites are chosen on a needs basis and that there is transparency and greater clarity in the feedback to Members about how the needs led requirements are determined, assessed and addressed.	Improved communication across service areas and improved engagement of local Members.  Clear grounds for proposed development for all services involved in delivery (Property development, Housing Needs, Housing Management, Streetscene (impact on waste collection))		Director of Development; Head of Property Services & Housing Repairs		
GSc20/21 1.8	That the current monitoring procedures that ensure compliance with the contract should be reviewed to provide Members with confidence in the procedures.	Improved Governance arrangements and greater communications to all stakeholders involved.		Director of Development; Head of Property Services & Housing Repairs		

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GSc20/21 1.9	That all future Bolsover Homes projects be submitted to the BDC Risk Management Group for their consideration in advance of being sent to the Executive of the Council.	Improved Governance arrangements and greater communications to all stakeholders involved.		Director of Development; Head of Property Services & Housing Repairs		
GSc20/21 1.10	A post project evaluation of each scheme should be carried out to include whether the identified housing need has been correctly identified and satisfied. This should include a suitable survey of the new residents' satisfaction.	Ensuring that all developments lead to high customer satisfaction, alleviate issues with local housing supply and that continuous improvement is identified for future development sites.		Director of Development; Head of Property Services & Housing Repairs		