

Bolsover District Council

Meeting of the Executive on 15th April 2024

Co-operation Arrangement with Other Local Authorities

Report of the Portfolio Holder for Growth

Classification	Public
Report By	Karen Hanson Chief Executive Officer

PURPOSE/SUMMARY OF REPORT

- To seek Members agreement in principle to the Council acting as main contractor for local authorities wishing to procure works and services from Dragonfly Development Ltd;
 - To delegate to the Chief Executive Officer the power to enter into co-operation arrangements with other local authorities to deliver construction related services.
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REPORT DETAILS

1. Background

- 1.1 Since Bolsover District Council transferred property and construction staff into the Dragonfly group of companies, Dragonfly Development Ltd have successfully completed a housing scheme for a wholly owned company of a neighbouring local authority.
- 1.2 The project was so successful that the local authority, along with other local authorities would like to engage the services of Dragonfly to deliver more construction projects and consultancy services for property related schemes. Another local authority is unable to procure works and services from Dragonfly Development Ltd without undertaking a legally compliant procurement exercise. However a local authority may arrange for another local authority to discharge its functions (section 101 of the Local Government Act 1972). It has been proposed that other local authorities arrange for the work to be undertaken by Bolsover District Council who would in turn sub-contract with its Dragonfly companies
- 1.3 Dragonfly have approached Freeths LLP solicitors, to advise on a suitable model to enable the local authorities to procure services from Dragonfly via an arrangement with the Council.

1.4 Freeths LLP Solicitors have advised that another authority could procure Bolsover District Council to deliver construction and property related projects. In turn the Council would need to enter a subcontract with either Dragonfly Development Ltd or Dragonfly Management (Bolsover) Ltd depending on the value of the contract in accordance with the Council's Contract Procurement Rules.

1.5 The Council is seeking its own external advice on the proposal. Further details will be provided at the meeting.

2. **Details of Proposal or Information**

2.1 That the Executive supports the principle of the Council acting as main contractor.

2.2 That the Chief Executive be authorised to enter any appropriate agreements with other authorities to clarify arrangements.

3. **Reasons for Recommendation**

3.1 By agreeing to the proposal Dragonfly Development Ltd will be able to enter negotiations with other authorities to undertake work on their behalf via a contractual agreement with the Council.

4. **Alternative Options and Reasons for Rejection**

4.1 Not to agree to the proposal. Other local authorities will need to undertake procurement exercises which will mean that Dragonfly Development Ltd will need to compete with other building contractors.

RECOMMENDATION(S)

1. To approve the principle of the Council acting as main contractor for other local authorities seeking work and services from Dragonfly Development Ltd;
2. To give delegated authority to the Chief Executive Officer to enter into non-binding cooperation arrangements with other local authorities .

Approved by Councillor John Richie, Portfolio Holder for Growth

IMPLICATIONS.

Finance and Risk: Yes No

Details:

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

The legal advice referred to in this report has been obtained by Dragonfly. The Council is seeking its own advice on the principle of entering into direct contracts and any potential risk to the Council of doing so.

Any arrangements that we have will not oblige the Council to enter into contracts for specific construction schemes. Each contract will need to be approved individually. The Council will need to engage external solicitors to draw up individual contracts and subcontracts. This is a cost that will need to be borne by the employing authority.

On behalf of the Solicitor to the Council

Environment: Yes No

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Staffing: Yes No

Details:

On behalf of the Head of Paid Service

DECISION INFORMATION

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/> <i>Please indicate which threshold applies.</i></p>	<p>No</p>
<p>Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i></p>	<p>Yes</p>

<p>District Wards Significantly Affected</p>	
<p>Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input checked="" type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	<p>Yes</p> <p>Details:</p>

<p>Links to Council Ambition: Customers, Economy, and Environment.</p>
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DOCUMENT INFORMATION	
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Appendix No	Title

Background Papers

<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i>