

Dragonfly Companies

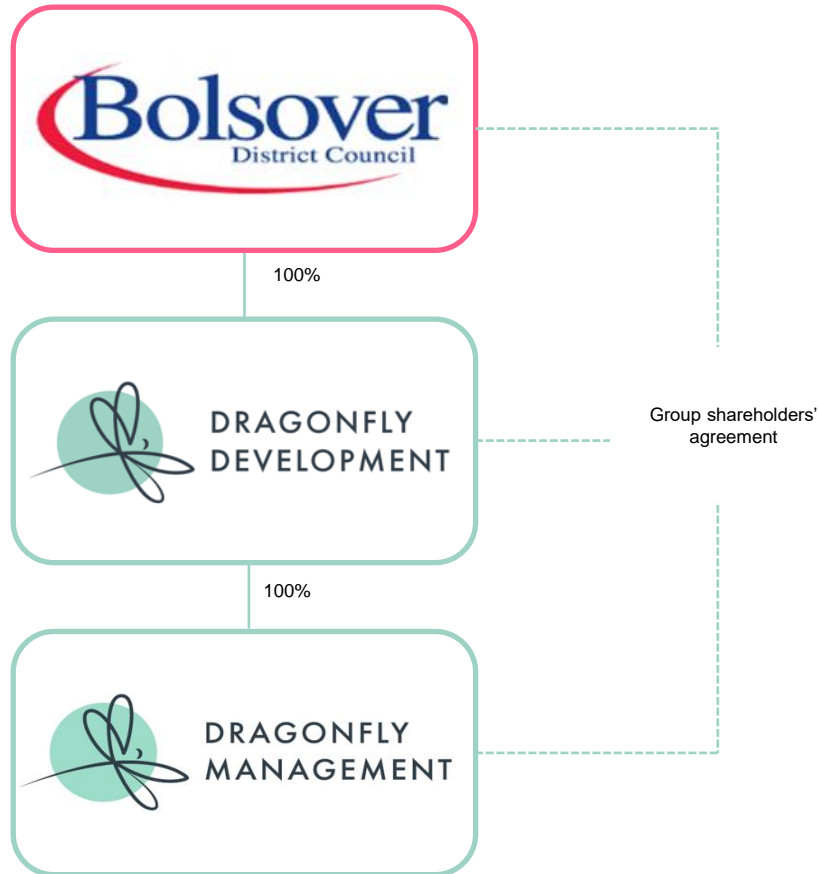
Governance Arrangements including dealing with conflict of interests

Presented by

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Tuesday 8th October 2024.

Dragonfly Group Structure





Services provided by Dragonfly Management

- Dragonfly Management provides services to the Council under a **service level agreement**
- Services
 - Repairs and maintenance;
 - Estates and commercial property;
 - Economic growth including tourism and business engagement;
 - Facilities Management



Governance Arrangement

- Governing the relationship between Dragonfly Development, Dragonfly Management and the Council requires several key documents. These include:
 - Business plans;
 - Articles of Association;
 - Group Shareholder Agreement;
 - Service Level Agreements - providing for the Council's provision of services to the companies and vice versa.



Group Shareholder Agreement

- This is the main document which dictates the relationship between the Council and the two companies. Key clauses include:
 - Production of business plans;
 - Adopt necessary policies and procedures
 - Composition of the board
 - Council entitled to attend board meetings
 - Provision of information to the Council
 - Financial provision and distribution of profits
 - Dispute resolution
 - Termination clauses
 - Decision making- Reserved Matters



Reserved Matters

- The companies shall not make decisions on matters which are Reserved Matters without the consent of the Council. Examples of Reserved matters are as follows:
 - Appointing/removing directors other than Council appointed directors;
 - Amending or adopting a Business Plan;
 - Changing the nature of the business or commencing any new business which is not ancillary or incidental to the business of the company;
 - Changing the company's auditors;
 - Acquisition or disposal of material assets where value exceeds £50,000;
 - Borrowing;
 - Decisions relating to Chief Officer posts;
 - Approving any matter that effect is reasonably likely to have an adverse effect on the reputation of the Council



The Council's role as shareholder

- The Council's role as the shareholder of both Dragonfly Development and Dragonfly Management :
 - is to safeguard the public money the Council has invested in the companies
 - to ensure that both Dragonfly Development and Dragonfly Management are performing against their business plans to deliver the Council's objectives.
 - The role is undertaken by Executive, Council, Scrutiny and initially by the Shareholder Board.



Bolsover District Council Shareholder Board

- The Council's Shareholder Board is an internal working group made up of members and senior officers;
- It acts as the link between the Council and Dragonfly Development and Dragonfly Management;
- It receives reports from senior Council officers and updates and performance information from Dragonfly staff
- It is the first point of contact where Dragonfly seeks consent for Reserved Matters decision;
- It acts as a sounding board and discussion forum. It is not a decision making body but it will make recommendations to the Executive and Council;
- Shareholder Board minutes are reported to Local Growth Scrutiny Committee



Conflicts of Interests

- Care must be taken to identify and guard against (potential) conflicts of interest arising in arrangements for the exercise of the shareholder function. Those making shareholder decisions for the Council should not also be involved in advising Dragonfly Development or Dragonfly Management or making Dragonfly Development or Dragonfly Management decisions.
- Care must also be taken to prevent conflicts of interest in wider Council making decisions at either Executive, Council or any of the Council committees.



Conflict of interests continued

- Members need to comply with the Council's members' code of conduct when making Council decisions
- There are 3 types of interest that need to be declared:
 - Disclosable Pecuniary Interests
 - Other Registerable Interest
 - Non-registerable interests
- Being a director of the Dragonfly companies is an Other Registerable Interests.



Conflict of interests continued

- *“Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests you must disclose the interest . You may speak of the matter only if members of the public are allowed to speak at the meeting and must not remain in the room unless you have been granted a dispensation”*



Conflict of interests continued

- Examples of decisions relating to Dragonfly include:
 - Council decisions to enter works contracts with Dragonfly;
 - Decision which requires the Council's consent under the Shareholder Agreement;
 - Decisions relating to the Dragonfly budgets;
 - Planning decisions where Dragonfly is the applicant



Conflict of interests continued

- *"Where a matter arises which **affects**...a financial interest or wellbeing of a body included under Other Registerable Interests you must disclose your interest."*
- *Where that matter "**affects** the financial interests or wellbeing (a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision; and (b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest; you may speak of the matter only if members of the public are allowed to speak at the meeting. Otherwise you must not remain in the room unless you have been granted a dispensation".*



Conflict of interests continued

- An example of a matter which may affect Dragonfly is an application for planning permission and Dragonfly has reached an agreement with the developer to undertake works on behalf of the landowner. Any member of Planning Committee who is also a director of Dragonfly will be expected to declare an interest and leave the meeting.

Questions????

