

To: Council

On: 29th February 2024

Report by: Chief Executive

Heading: Accounts Commission Section 102 Report (S.102) – School Accommodation for Dargavel Village

1. Summary

- 1.1 At a meeting on 11th January 2024, the Accounts Commission was presented with a statutory S.102 report, as circulated to Councillors on 5th January 2024 (see Appendix 1), by the Controller of Audit on School Accommodation for Dargavel. It is a statutory requirement for a S.102 report to be reported to the full Council to allow consideration of the findings and recommendations from the Accounts Commission and to agree any subsequent action by the Council.
- 1.2 As outlined in their report, the Accounts Commission agreed to make findings and associated recommendations in response to the Controller of Audit's statutory report, is seeking additional information and assurance in relation to several areas and in this context has requested a further report back from the Controller no later than June 2024. They have also reserved open the right to hold a hearing if they deem it required.
- 1.3 Attached at Appendix 2 is the proposed response and actions to the Commission's findings and recommendations for elected members consideration and approval.

2. Recommendations

2.1 It is recommended that members: -

- note and accept the Accounts Commissions findings and recommendations;
- agree the response and actions outlined in Appendix 2 of this report and that monitoring of those actions will be incorporated into the overall Bowles report response monitoring arrangements that are reported to each cycle of the Audit Risk and Scrutiny Board;
- note that a follow-up report from the Controller of Audit will be made to the Accounts Commission by June 2024 which will be subject to appropriate reporting through the Council's governance process at that time.

3. Background

3.1 Following presentation of the Council's 2022/23 Annual Audit Report for from Azets, the appointed auditor, considered by the Council's Audit, Risk and Scrutiny Board (ARSB) on 6 November 2023 and by the full Council on 16 November 2023, the auditor issued an unmodified opinion on the council's 2022/23 annual accounts. Within that report, the auditor provided significant coverage of the Dargavel situation, including: -

- findings from the independent report commissioned by the Council and which reported in June 2024 ("The Bowles Report"),
- the subsequent actions the Council has been progressing since that time,
- that the council has appropriate governance arrangements in place with improvements over the years in member and officer relationships and effective leadership overall and were satisfied through their detailed audit work that the Council had demonstrated that the governance failings identified by the Bowles report were limited to the historic handling of Dargavel,
- that they had no highlighted concerns over the wider organisational culture in the Council or in its approach to managing major capital programmes but did identify that the role of the Audit, Risk and Scrutiny Board in ensuring effective scrutiny is not sufficiently clear and the Council has recognised this and is already significantly progressed with a review of the Audit Risk and Scrutiny Board.
- the overall progress being achieved to resolve the educational capacity challenges as a result of the historic errors made by the Council, highlighting that the Council continues to have significant challenges to rebuild the trust of communities affected by the failings

and that the Council and communities will be feeling the impact of this for some time to come.

- 3.2 The Controller of Audit decided to use the reporting powers available to her under s102 (1) of the Local Government (Scotland) Act 1973 to bring this issue, and the action the Council is now taking in response to the Bowles report, to the attention of the Accounts Commission. Following presentation of the report to the Commission, the Commission has endorsed the Controller of Audit's report on school accommodation for Dargavel village.
- 3.3 On receipt and following consideration of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
- direct the Controller of Audit to carry out further investigations
 - hold a hearing
 - state its findings.
- 3.4 In this case, the Commission has set out their findings in their report, alongside several issues on which they require further, urgent, investigation. The Commission has requested that the Controller updates the Commission no later than June 2024, using her powers under Section 102 of the Local Government (Scotland) Act 1973 on progress on the issues raised in their findings, and earlier if she deems necessary. The Commission has also reserved the right at this stage to hold a hearing if they deem it necessary.
- 3.5 The Commission have also confirmed that they intend to bring forward Renfrewshire Council's Best Value report from 2027 to later this year, or at the latest in early 2025.
- 3.6 While the Council was commended for its decision to instruct an independent review of the issues surrounding the Dargavel Primary School, and for its acceptance in full of the recommendations in the Bowles report, the Commission has indicated concern that significant risks remain in relation to actions the Council is taking in response to the acknowledged failings.
- 3.7 Throughout their findings the Commission has outlined recommendations to secure further information and assurance to address their concerns. The Commission has noted the Council's acceptance in full of the Bowles report recommendations and its apology to the local community. They also recognise that the Council has developed a specific communication and engagement strategy for Dargavel. However, as has been recognised by the Council and highlighted by the Controller in her report, the Commission agrees that the Council faces a significant challenge to rebuild the trust and confidence of local communities.

- 3.8 The Commission has required the Controller to report back to them by June 2024 on any issues raised in the report that she thinks appropriate, but also to seek specific further information and updates from the council regarding:
- the Council’s review of its approach to community engagement,
 - the Council’s approach to consultation on the additional primary school at Dargavel, and other decisions on the school estate,
 - the Council’s work on understanding the wider service impacts on the failings regarding school capacity,
 - the Council’s reviews of scrutiny and risk management, and its leadership development programme, and
 - the process followed and factors taken into account by the Council in considering disciplinary action against senior staff, and its approach and policy on performance management and accountability.
- 3.9 Detailed in Appendix 2 to this report, is a proposed response and associated actions to the findings and recommendations set out by the Commission for elected members consideration.
- 3.10 Subject to consideration and approval by elected members, it would be proposed that these actions are incorporated into the existing action plan being progressed by officers in response to the Bowles report for monitoring purposes and will in line with the existing approach be reported to each cycle of the Audit Risk and Scrutiny Board. Further, and in line with statutory requirements under the 2003 Act, this proposed response and actions if approved by Council will be formally shared and communicated to the Account Commission following this meeting.

Implications of the Report

1. **Financial** - there are no direct financial implications arising from this report. Any costs associated with delivering the proposed actions will be contained within existing resources.
2. **HR & Organisational Development** - none
3. **Community/Council Planning** – none
4. **Legal** – the statutory report issued by the Controller of Audit and subsequent findings issued by the Accounts Commission have been issued under S.102 and S.3 of the Local Government (Scotland) Act 1973 and 2003 respectively.

5. **Property/Assets** – none
 6. **Information Technology** – none
 7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report as it is for noting only and sets out the detail of an external investigation. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website. (Report author to arrange this).
 8. **Health & Safety** - none
 9. **Procurement** – none
 10. **Risk** - none
 11. **Privacy Impact** - none
 12. **Cosla Policy Position** – none.
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List of Background Papers

Dargavel Primary – Independent Review – Council June 2023

Azets Report to those charged with governance - Renfrewshire Council Group
Annual Accounts 2022/23 – Audit Risk and Scrutiny Board November 2023

Annual Audit Report 2022/23 Renfrewshire Council Group – November 2023

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The 2022/23 audit of Renfrewshire Council

School accommodation for Dargavel Village



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
January 2024

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Commission findings

- 1.** The Commission endorses the Controller of Audit's report on school accommodation for Dargavel village. We also acknowledge the work of David Bowles in carrying out his independent review.
- 2.** On receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
 - direct the Controller of Audit to carry out further investigations
 - hold a hearing
 - state its findings.
- 3.** In this case, the Commission has given serious consideration to the full use of the powers available to us. In this report, we set out our findings, alongside a number of issues on which we require further, urgent, investigation.
- 4.** We request that the Controller updates the Commission no later than June 2024, using her powers under Section 102 of the Local Government (Scotland) Act 1973 on progress on the issues raised in our findings, and earlier if she deems necessary.
- 5.** We also intend to bring forward Renfrewshire Council's Best Value report from 2027 to later this year, or at the latest in early 2025.
- 6.** The Commission reserves the right to hold a public hearing on this and related matters if we are not satisfied with the updates we receive on the council's progress.
- 7.** While the council is to be commended for its decision to instruct an independent review of the issues surrounding the Dargavel Primary School, and for its acceptance in full of the recommendations in the Bowles report, the Commission is concerned that significant risks remain in relation to actions the council is taking in response to the acknowledged failings. Our findings are structured around the themes we explored in our public meeting on 11 January 2024. Throughout our findings we seek assurance and further information to address our concerns.

Community and other engagement

- 8.** We note the council's acceptance in full of the Bowles report recommendations and its apology to the local community. We also recognise that the council has developed a specific communication and engagement strategy for Dargavel. However, we agree with the Controller that the council faces a significant challenge to rebuild the trust and confidence of local communities.

9. While it has taken action, the council is yet to assess how effective its engagement strategy has been to date. The council must, as a matter of urgency, conduct a robust and transparent assessment of the effectiveness of its community engagement and then move swiftly to implement any improvements needed. The Commission asks the Controller to update us on this by June 2024, or earlier if progress is not at the pace we expect.

10. The Commission is particularly concerned by the council's failure both to transparently consider alternative options in relation to expanding secondary school capacity in the area, and to consult or engage appropriately with the community, whom their decision directly affects.

11. We note that the new primary school is subject to a full public consultation. We expect the council to engage meaningfully with the community on this issue, and other decisions on the school estate. Again, we ask that the Controller monitors this situation, and reports to us in June 2024 on progress and earlier if necessary.

Learning lessons and building capacity

12. We note from the Controller's report that learning the lessons from these issues continues to feature prominently in council meetings.

13. While the council's initial response to the Bowles report was high level, we are assured by the Controller that its action plan in response is now sufficiently detailed and includes SMART objectives. It will be important that this action plan is well-managed by senior officers and closely scrutinised by elected members of the council.

14. We note that the council has also commissioned Edge Analytics, who we are reassured are experts in this field, to advise on future school capacity issues. However, there are still significant uncertainties relating to the capacity needed in the long term, and to the completion of the two building projects – the new primary school and the secondary school extension. We therefore request that these matters are closely monitored in the annual audit work, and the Controller uses her powers to report any slippage or other issues to us if necessary.

Impact on service provision

15. We note that the council has assessed that currently there has been no detriment to either teaching delivery or pupil education in the Dargavel and Bishopton areas from the interim measures introduced. We consider it critical that the council reports the results of these assessments publicly, regularly and in an accessible way, to maintain and rebuild community confidence.

16. The Commission is also concerned at the possible wider impacts of the council's failings regarding the estimation of pupil numbers and whether this has had any impact on services provided by the council in the Dargavel area. We request that the Controller seeks further information on these issues so that we can understand the work that the council has done to understand these impacts.

Financial management and consequences

17. The financial impact of these failings on the council is significant. The council capped the risk and contributions from BAE Systems under the Section 75 agreement, and as a direct result faces estimated net additional capital costs of £60 million, to be met by borrowing. This is a substantial sum of public money. The council needs to clarify the opportunity costs of this in terms of its overall capital programme. The council projects that it will have a revenue budget deficit of up to £50 million by 2026/27 and will need to make difficult decisions on prioritising its spending, compounded by the financial consequences of this issue.

18. The council has recently negotiated a transfer of land from BAE for the construction of a new primary school. The Controller's report indicates that this was in exchange for amendments to the extent and composition of the housing units for which planning permission has been granted. Given the reported determination of BAE to fully protect their commercial interests in the development, and the absence of alternative solutions for the council, it will be important to ensure and demonstrate that this exchange represents Best Value for the public purse.

Council leadership, governance and culture

19. We note that the council's auditors have concluded that, overall, the council has appropriate governance arrangements in place and that member and officer relations have improved over the years. The council's action plan will be hugely important in further embedding improvements in this area. In particular, the following elements must be progressed urgently and transparently:

- the council's review of its scrutiny arrangements against CIPFA good practice guidelines
- the council's review of its approach to risk management
- the council's leadership development programme for officers.

20. To be satisfied of progress in these areas, the Commission requires the Controller to request further information from the council on the scope and timing of these actions, and report back to the Commission in the update requested for June 2024, or earlier if she thinks necessary. We also expect these issues to be covered in the accelerated Best Value report.

21. The Commission is also concerned about the culture of the council and whether it has truly learned the lessons it needs to. We expect organisational culture to be an area of focus in the accelerated Best Value report. In particular, we request an update on whether the culture of the organisation is appropriately open and transparent and encourages continuous improvement, effective joint-working between officers and members, effective scrutiny and challenge (especially by elected members), and engagement and discussion with stakeholders. In addition, we request an assessment of whether it has the right skills in the right places to deliver on its responsibilities, and whether issues are escalated to the right level.

22. Finally, the Commission notes that the auditor has concluded that the council has obtained appropriate external legal advice and determined there is no potential for any form of action against former senior employees involved in the Dargavel School decision-making. In addition, no disciplinary action has been taken against any senior officer involved in decision-making relevant to the Section 75 approval process for the Dargavel Village development.

23. The Commission accepts that these are management issues. However, we request that the Controller asks the council for further information on the process followed and factors taken into account by the council in considering disciplinary action against staff involved. In addition, and looking forward, the Commission asks for information on the council's approach to performance management and its current policy on disciplinary action, so we can be assured that appropriate arrangements are in place to ensure that staff have the necessary skills and that senior officers are properly accountable for their areas of responsibility.

Summary of requests for further information and work required

24. The Commission requires the Controller to report back to us by June 2024 on any issues raised in this report that she thinks appropriate, but also to seek specific further information and updates from the council regarding:

- the council's review of its approach to community engagement
- its approach to consultation on the additional primary school at Dargavel, and other decisions on the school estate
- the council's work on understanding the wider service impacts on the failings regarding school capacity
- the council's reviews of scrutiny and risk management, and its leadership development programme
- the process followed and factors taken into account by the council in considering disciplinary action against senior staff, and its approach and policy on performance management and accountability.

Introduction

1. The Code of Audit Practice requires auditors to produce an annual report summarising the significant matters arising from their work at the conclusion of each year's audit. For local authorities, these reports are addressed to elected members and the Controller of Audit.

2. I have reviewed the 2022/23 Annual Audit Report for Renfrewshire Council (the council) from Azets, the appointed auditor. The auditor's Annual Audit Report was considered by the council's Audit, Risk and Scrutiny Board (ARSB) on 6 November 2023 and by the full council on 16 November 2023. The report has also been published on [Audit Scotland's website](#). The auditor issued an unmodified opinion on the council's 2022/23 annual accounts.

3. In June 2023, the council received the findings of an independent report (the Bowles report) that highlighted significant failings of leadership, oversight and risk management in relation to the provision of school accommodation for Dargavel Village. The consequences of this for both the community and the council are far reaching and a significant cause for concern. The council has developed an action plan to respond to the issues identified and is, and must continue, to work hard to rebuild the trust of the communities affected and demonstrate that lessons have been learnt.

4. I have therefore decided to use the reporting powers available to me under s102 (1) of the Local Government (Scotland) Act 1973 to bring this issue, and the action the council is now taking in response to the Bowles report, to the Commission's attention.

Background

5. The development of the new village of Dargavel, in Renfrewshire, is a large and complex project, which has evolved into one of the largest housing developments in Scotland. The land at Dargavel Village is being developed by BAE Systems who were initially granted planning permission for the development of a maximum of 2,500 houses in 2009. This was increased, through a range of further planning applications between 2014 and 2018, most notably by 1,350 as part of two major additional applications in 2018. The council in 2023 formally acknowledged that the historically consented planning permission was for 4,322 units on the Dargavel site.

6. It is common practice for local authorities, when considering planning permission for new housing developments, to enter into an agreement with the developers to contribute to the additional public costs associated with delivery of any new housing development, including costs associated with schools, health, roads and other infrastructure. These legally binding agreements are made under Section 75 of the Town and Country Planning (Scotland) Act 1997. A new primary school (Dargavel Primary) was built by BAE systems in Dargavel

Village as part of a Section 75 agreement with BAE systems. It opened in January 2022 with an expected capacity for 430 pupils.

7. In May 2022, as part of the 2022/23 intake, council officers recognised that they had substantially underestimated the demand for primary school places in Dargavel Village. At the same time the council recognised that the demand for secondary education was also likely to have been significantly underestimated.

8. Following analysis over the summer period to quantify and understand both the scale and time critical nature of the problem, a special meeting of the council's Education and Children Services Policy Board was held in November 2022. The main purpose of the meeting was to discuss Dargavel Primary School capacity. It was reported that the current school roll was 463. The council projected a potential school roll of up to 620 pupils by August 2023 and 705 pupils by August 2024. The board concluded that the existing school capacity would be materially insufficient to meet the future demand profile of the catchment area.

9. Additional work by the council to create a robust long-term estimate of pupil numbers (further confirmed by more detailed projections from the council's consultants, Edge Analytics) identified a need for a core primary school capacity of 1,130 pupils and high likelihood of breaching the existing 430 capacity in the 2023/24 school intake requiring circa 60 per cent more pupil spaces.

10. The Education and Children Services Policy Board has approved planning for an additional primary school in Dargavel and an extension to Park Mains High School. The council had planned an extension to Park Mains High School as part of its Section 75 agreement with BAE Systems in 2018 and confirmed the size of that extension in its 2023 agreement. The Bowles report highlights that the council's failure to appreciate the risks that they were taking in the original contract they negotiated, which allowed BAE to cap their contributions¹ means that it is the council that will need to meet the additional costs over and above this cap associated with increasing capacity.

¹ BAE Systems have contributed the primary school at Dargavel Village and land for the building of a second primary school. They have capped their contributions for secondary school capacity to 200 pupil places.

Dargavel School – Timeline of key events

Date	Event
2006	The original masterplan application for the Dargavel development is submitted by BAE Systems
Aug 2009	Outline planning consent approved
2009	Section 75 agreement signed between the council and BAE Systems for 2,500 houses and 340 primary school pupils spaces
2013	Dargavel Village construction commences
Sep 2014	Concerns expressed as to the size of the planned school by the community council
Apr 2016	The council updates the school capacity requirement to 430 places for extending Dargavel Village development to 3,850 homes
Jan 2017-2021	Community concerns over low school capacity continue to be raised
Oct 2018	Section 75 Agreement signed. Planning consent for 3,850 houses granted by the council. BAE Systems formally obligated to build Dargavel Primary School with capacity for 430 pupils
2020	Dargavel Primary School construction commences
Jan 2022	Dargavel Primary School opens
May 2022	During the 2022/23 intake, the council becomes aware that pupil admissions are higher than expected
Nov 2022	The council appoints Edge Analytics to provide support for school capacity estimates
Dec 2022	The council's chief executive appoints Mr David Bowles to undertake an independent review of Dargavel Primary School capacity issues
Mar 2023	The EPCB approve planning for an additional school in Dargavel with a minimum capacity for 700

May 2023	Updated projections recommend additional primary school capacity requirement of 800 The ECPB approves an extension to Park Mains High School to create capacity for an additional 400 secondary school places
Jun 2023	'The Bowles report' is published and presented to the full council. The council accepts all recommendations in full
Aug 2023	The council instals six modular classrooms in Dargavel school as an interim capacity solution
Sep 2023	The council secures a land transfer from BAE systems to build a new primary school and, in exchange, the council clarifies that a maximum of 4,322 homes are consented to be delivered as a part of Dargavel Masterplan.

Independent examiner's report – the 'Bowles report'

11. Following the special meeting of the council's Education and Children Services Policy Board in November 2022, the council gave authority to the chief executive to establish an independent assessment of the circumstances which led to the significant error in school capacity planning for Dargavel School. David Bowles, a former local government director and chief executive, was appointed directly by the chief executive following a search for suitable candidates for the role supported by SOLACE.

12. The overriding conclusion of the report was that:

'...the council was completely unaware of, and therefore unprepared for, the impact that a development such as Dargavel would have upon the education service.'

13. The report further concluded that:

'Regardless of considerable uncertainty of estimating pupil need 20 years ahead, before detailed consents had been given and the housing mix known, the council allowed BAE to cap its contributions in both agreements, leaving all of the risk with the council. It is difficult to see how both of these agreements, involving potentially millions of pounds of investment in primary and secondary education, could have been handled in a more incompetent manner.'

14. The 'Bowles report' was published and presented at the June 2023 full council meeting and identified the following key factors (with summarised extracts) which contributed to the Dargavel School outcomes:

- **A failure of leadership in the education service.** Senior education management were both incompetent and not sufficiently engaged in the project.
- **Limited corporate oversight of the project.** There is no evidence of corporate intervention to provide internal support or seek external advice.
- **Lack of clarity about the size of the development.** Different parts of the council have been working on different housing numbers and BAE have quoted different numbers.
- **A complete and repeated failure to test data for reasonableness.** The council had numerous opportunities to test data for reasonableness and it failed to do so.

- **Ignoring conflicting data.** There are frequent instances of conflicting data being disregarded.
- **Not either understanding or planning to manage the risk associated with large developments.** The lack of understanding of (estimation) risks can be highlighted by the inept decision of the council to reduce the size of the Dargavel School site.
- **Focussing on capacity problems at Bishopton Primary School.** At no time did officers question why there was a 'spike' in children from the Dargavel development being admitted to Bishopton school.
- **Ignoring emerging problems when agreeing to a 2-form entry primary school in 2018, which increased the capacity of the planned Dargavel school by about 100 places.** There was ample evidence the council had seriously underestimated primary school demand before the original planning application in 2018.
- **A failure to recognise the growing school capacity problem until May 2022.** The (school place demand) error was so obvious it is difficult to see how it remained undetected for six years.
- **A failure to take any concerns expressed by others seriously.** The response by council officers to numerous examples of concerns being expressed by a range of stakeholders showed professional arrogance.

15. The Bowles report recommended that the council:

- **Builds a more robust model of primary school need for Dargavel.** The council should update and refine the existing model of pupil numbers and the potential range of demand and continue to work with experts in this area. It should also review the mix of housing approvals and extend the time period of the forecasts for primary to assess whether there is likely to be a peak in demand or just a plateau then a decline.
- **Reconsider catchment areas.** The earlier decision on catchment areas was made on the assumption the developer would be meeting all of the costs of primary education, without needing to use the surplus capacity at Bishopton. That is no longer the case. In its future plans the council should reconsider how surplus capacity at Bishopton can be used effectively.
- **Produce robust supplementary guidance on developer contributions.** The council should be clear about who has responsibility for this area of work and ensure they have the appropriate skills available to them, either internally or externally. The council should review how data flows between planning and education and that they both understand its import.
- **Seek to work co-operatively with BAE.** Unless the council and BAE can work together to resolve the current problems, BAE may face

accusations, whether founded or not and regardless of council incompetence, that it has financially benefitted at the expense of council taxpayers.

- **Corporate working and organisational culture.** The council needs to consider a significant change programme, not just on the of issue of corporate working and personal responsibility, but also its organisational culture and values. It needs plans to build a stronger organisation where constructive challenge is welcomed and there is a clarity of what is expected of all of those in a leadership role.
- **Risk management.** The council needs to review how it both identifies risk and manages it. The identified risk in council documents related to delivering the school on time, not that the size of the school may prove to be inadequate. The failure to identify that risk has had two consequences; first the council has been slow to react to the increase in pupil numbers and second the council did not negotiate with BAE, with that risk in mind.
- **Involvement of members.** While protecting the integrity of the planning process, the council needs to ensure the appropriate involvement of members in such developments.
- **Public confidence.** The council should work in an open and transparent manner in the resolution of these issues and particularly with the residents of Dargavel, who have legitimate concerns about the implications for their children, during both their primary and secondary education.

Source: Dargavel Primary – Independent External Review, The Bowles report

The council's response

16. The council accepted in full the recommendations of the Bowles report at its meeting of 22 June 2023 and apologised to the local community for the significant errors made. Since then, it has supplemented its initial response with a more detailed action plan, however it is clear that the implications of this issue will be felt for some time to come. The council is, and must continue to, working hard to rebuild the trust of the affected communities and demonstrate that it has learnt lessons. The council's progress in implementing agreed actions is monitored by the Audit, Risk and Scrutiny Board.

17. The council has engaged external consultants, Edge Analytics, to provide expert support in estimating demand for places across its school estate and has taken forward an analysis of how other local authorities manage developer contributions ahead of the development of updated guidance.

Addressing capacity issues in the short term

18. The council have implemented transitional arrangements to address immediate capacity issues in Dargavel Primary School. These interim measures have included the creation of new modular classrooms and the utilisation of available capacity in the neighbouring Bishopton School. The council has assessed, with the support of external consultants, that these interim measures will be sufficient to accommodate primary and secondary school demand until the anticipated new schools are developed by August 2027, but this will require to be kept under careful review.

19. The council assesses the impact of these transitional arrangements on the standard of teaching delivery and pupil attainment as part of its regular monitoring arrangements. At this stage, the council assesses that, while there has been some disruption, there has been no detriment to either teaching delivery or pupil education in the Dargavel and Bishopton areas.

20. The council will continue to monitor the quality of educational delivery and measures of pupil attainment closely through its existing quality monitoring arrangements. It is critical that the council ensures that it robustly assesses educational impacts and continues to report publicly on this to maintain community confidence.

Addressing capacity issues in the medium term

21. The council had limited options for addressing the medium-term primary school capacity issues it faced in Dargavel Village given the size of the capacity shortfall (around 800 places) which meant that extension of the existing site was not an option, and the surrounding land is owned by BAE systems.

22. As a result, the council entered into negotiations with BAE Systems to explore options for addressing the education needs of the Dargavel community. These negotiations resulted in an agreement with BAE Systems to transfer a parcel of land to the council for £1 in August 2023 that could enable the building of an additional new primary school within Dargavel village. This final decision on the building of a new school will be subject to a full statutory consultation process in due course.

23. Section 75 agreements often require developers to include affordable housing and housing available for the social rented sector as part of the planning permission process. In reaching agreement with BAE Systems to transfer the land that could accommodate the construction of an additional primary school, the council also formally acknowledged that the historically consented planning permission was for 4,322 units on the Dargavel site and agreed to reduce the affordable housing requirement at stage 2 of the development. Consequently, there will now be 243 social rented units as opposed to 336 as part of the overall development. Equally though, the revised agreement anticipates that there will be circa 1,271 lower market sector units against the earlier obligation to build 681 units.

24. The council recognised that the Dargavel Village development would also create an increased demand for secondary school places. The council worked with Edge Analytics to develop an estimate of the impact of this increased demand on secondary school capacity and provision across the whole school estate. The council concluded at a meeting of the Education and Children's Services Policy Board on 18 May 2023 to continue with plans to extend the existing Park Mains High School at an estimated cost of £30 million to provide an additional 400 secondary school places required.

25. The council did not present any formal options appraisal on provision of secondary school places in its public report to support its decision-making, but had considered an alternative solution and informally estimated that the cost of building a new secondary school in Dargavel/Bishopton (an alternative favoured by some community groups) at around £90 million. The adoption of this new build option would also create surplus capacity of 40 to 60 per cent within the existing Park Mains High School and result in significant additional net annual revenue costs. The council subsequently communicated and explained the rationale and data underlying its decision to the Park Mains Liaison Group and other community group meetings.

Financial impact

26. The council currently estimates that it will require £75 million of new capital investment to create the required capacity to fully meet the primary and secondary education needs of the Dargavel and Bishopton communities. The council and the housing developer have agreed that the housing developer (BAE systems) has fulfilled its obligations under the Section 75 agreement in relation to the provision of primary school capacity.

27. BAE systems have capped its contributions for secondary school places to 200 pupils meaning they are still required to meet almost 50 per cent of the costs of the proposed 409 pupil place extension to Park Mains High School.

28. The estimated net additional costs of £60 million must therefore be met by the council. The council plans to fund these capital costs from borrowing, and estimates it will add around £4 million to the council's annual revenue budget. Council debt is normally written down over the estimated lifetime of the asset which is currently an average of 40 years for the Renfrewshire school estate.

29. The council estimates that the net revenue cost of running the new primary school when it becomes operational in August 2027 will be around £0.5 million per year, as additional running costs will largely be offset by increased grant funding provided through the overall Scottish Government grant distribution process. The council has not yet included an estimate for the net running costs of the Park Mains High School extension.

30. In context, the council is already facing a significant financial challenge and recently updated its Medium-Term Financial Plan to include the additional £4.5 million borrowing and operating costs identified above. The council is now projecting a budget deficit of up to £50 million by 2026/27 and will have to make difficult decisions on spending priorities in the near future.

Community engagement

31. The council recognises that it faces a significant challenge to rebuild the trust and confidence of local communities. A recent report to the Education and Children's Services Policy Board notes the desire of the community to better understand the rationale for the council's decision to extend (rather than replace) an existing secondary school serving the Dargavel and Bishopton areas. It is critical that the council proactively engages the local community in its school estate decision-making.

32. In October 2022, the council introduced a specific Dargavel communication and engagement strategy which included the creation of a dedicated mailbox for the community to ask questions and raise concerns and the development of a regular community newsletter. The council's senior team have also attended a number of public meetings with residents of the Dargavel and Bishopton communities and attended Community Council and Parent Council meetings. The council also created the Park Mains Liaison Group which is attended by senior council members and representatives from the local community.

33. The council has used these forums to communicate, explain and engage with local communities on its plans to address school capacity issues in Dargavel and Bishopton and to address any local concerns. It is important that the council robustly assesses the effectiveness of its community engagement to understand how best to continue its efforts. The council has not yet undertaken any formal assessment of its arrangements.

Governance

34. The findings of the Bowles report, although restricted to the historical handling of the Dargavel Development, raises a legitimate line of concern in relation to the effectiveness of the council's governance arrangements, particularly in relation to corporate working and organisational culture, effective risk management and member involvement in decision-making on major

projects. I have sought to understand the extent to which these issues are also representative of the council's overall governance and decision-making arrangements.

35. The council's auditors have concluded, overall, that the council has appropriate governance arrangements in place with improvements over the years in member and officer relationships and effective leadership overall. The auditors have not highlighted any concerns over the wider organisational culture or in its approach to managing major capital programmes but have identified that the role of the Audit, Risk and Scrutiny Board in ensuring effective scrutiny is not sufficiently clear.

36. In response to both the Bowles report and the auditors recommendations, the council have committed to review their overall governance and scrutiny arrangements as part of a wider review of corporate governance. The council will also undertake a review of the effectiveness of its Audit, Risk and Scrutiny Board against CIPFA good practise guidelines.

37. The council has also committed to review its approach to risk management across all council projects. The council has also committed to delivering a comprehensive leadership development programme for all chief officers and senior managers and has committed to evaluate this programme before rolling it out to the next management cohort. The council understands it must progress these actions in order to assure itself and others that its governance and scrutiny arrangements are robust and that it is able to demonstrate a strong organisational culture.

38. Learning the lessons from the school capacity issues in the Bishopton and Dargavel communities continues to feature prominently in council meetings. The audit team have observed an appropriate level of involvement of members at the Education and Children Services Policy Board who scrutinise the delivery of education across the council. The council recently adopted a Strategic Learning Estate Work Programme, which brings together officers from different departments to oversee educational estate delivery and ensure joint working going forward.

39. The council did not include a formal options appraisal in the report on the provision of secondary school places to support its decision-making on the extension of Park Mains High School in May 2023. The council also did not articulate in that report why it felt an options appraisal was not required or how it planned to engage with local communities on the underlying data and rationale that supported the decision. While this approach is consistent, in specific circumstances, with Scottish Government guidance on managing consulting on changes to the school estate and education provision, it remains a significant omission in the decision-making process. The council should have been more open and transparent on the range of available options in relation to the school estate, the process through which views could be heard and the basis on which any future decisions would be taken.

40. Finally, the auditor has concluded that the council has obtained appropriate external legal advice and determined there is no potential for any form of action against former senior employees involved in the Dargavel School decision-

making. No disciplinary action has been taken against any senior officer involved in decision-making relevant to the Section 75 approval process for the Dargavel Village development.

Conclusions

- 41.** The Bowles report highlights significant historic failings in leadership and risk management and a disregard of concerns expressed by the local community. I note the council's acceptance in full of the Bowles report recommendations and their apology to the local community. The council has developed an action plan setting out its response to the issues identified, and the council must work hard to rebuild trust and respond to the issues identified.
- 42.** Progress against this action plan will be reported to the council's Audit, Risk and Scrutiny Board. The council has committed to review its overall governance and scrutiny arrangements, including the effectiveness of its Audit, Risk and Scrutiny arrangements against CIPFA good practise guidelines. It must progress this in order to assure itself, and others, that its governance and scrutiny arrangements are robust.
- 43.** The council should have explained its decision-making process more clearly and transparently when finalising its decision to extend Park Mains High School. It is essential that the council is open and transparent on the range of available options in relation to the school estate, the process through which stakeholder views can be heard and the basis on which future decisions will be taken.
- 44.** The council has now engaged expert consultants to advise on school capacity requirements and has developed plans for a new primary school and extension to the existing high school. These significant school infrastructure projects are not expected to be completed until August 2027 and will require strong governance arrangements to ensure they are completed on time and budget and meet the educational needs of the local community. I will continue to monitor the council's progress in managing these projects.
- 45.** The council has not yet reached the stage of engaging with contractors to build the new Dargavel Primary School and the proposed extension to Park Mains High School but has estimated costs of £75 million, with £60 million of these costs due to be met by the council. These costs will add over £4.5 million² to the council's annual revenue budget and add to the already significant financial challenge faced by the council. The council needs to make some difficult spending priority decisions going forward.
- 46.** While the council has assessed that the short-term transition arrangements have caused no detriment to either teaching delivery or pupil education, this is an issue they will need to monitor closely and report on publicly. The council faces a significant challenge to rebuild trust and confidence with the affected

² The council has yet to include an estimate for the additional annual running costs for the proposed Park Mains High School extension in its medium-term financial plan.

local communities and must take steps to assess the effectiveness of its community engagement programme.

47. The council's appointed auditors will continue to monitor and report on progress in addressing the recommendations contained within the Bowles report through the annual audit process. The council has taken steps to respond to the recommendations of the independent Bowles report but there is still more to be done. Both the community and council will be dealing with the consequences of this error for some time.

The 2022/23 audit of Renfrewshire Council

School accommodation for Dargavel Village



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Community and other engagement			
<p>The council must, as a matter of urgency, conduct a robust and transparent assessment of the effectiveness of its community engagement and then move swiftly to implement any improvements needed.</p>	<p>A full update of all completed and planned communication and engagement activity since late 2022 as at end February 2022 will be provided to the External Audit team.</p> <p>The Consultation Institute – a recognised sector leading best practice Institute promoting high-quality cross sector public and stakeholder consultation standards – has been commissioned to conduct a robust and independent review of the council’s engagement strategy and activities.</p> <p>This will include assessment of the engagement strategy; the variety of mechanisms implemented from October 2022 to communicate and engage with the local community and the effectiveness of activity. This will include qualitative feedback from the community.</p> <p>The commission will also extend to providing advice and quality assurance on the statutory consultation arrangements on the proposal for a new primary school in Dargavel, its proposed site and catchment arrangements.</p> <p>This independent assessment process will be robust and significant and carried out over several months. It is expected to take until into June to fully complete all planned activities</p>	<p>February 2024</p>	<p>Head of Communications and Marketing</p>

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	<p>and provide a full evaluation report, albeit any key emerging findings, learning and recommendations for improvement identified as the evaluation progresses will be actioned as soon as possible and shared on an ongoing basis with the local audit team ahead of the planned report to the Commission in June.</p> <p>The output of this commission and all associated recommendations will assist in informing the design of future engagement and consultation activity both within the education estate but also across future consultation and engagement activity associated with service / policy change etc which the Council will be increasingly required to consider moving forward as part of addressing its financial sustainability challenges.</p>	February – June 2024	Head of Communications and Marketing
<p>The Commission is particularly concerned by the council’s failure both to transparently consider alternative options in relation to expanding secondary school capacity in the area, and to consult or engage appropriately with the community, whom their decision directly affects.</p>	<p>It is accepted that the report to the Education and Children’s Services Policy Board in May 2023 could have articulated the reasons why no other options to address secondary school capacity beyond an extension to Park Mains High School were deemed viable for detailed consideration.</p> <p>Additionally, although engagement in relation to updated school projections and developing plans for a larger extension to PMHS were shared and discussed with the PMHS parent council prior to the May report, plans to expand this engagement process to a wider group to encapsulate all feeder primaries following the board meeting could have</p>		

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	<p>been outlined in the report and or considered earlier in the process.</p> <p>Council officers have since May 2023 been progressing positive and ongoing community engagement in relation to the Park Mains extension, principally through the Park Mains Liaison Group which was established to provide a single engagement forum with representatives from the Parent Councils of Park Mains High School and all associated feeder primaries.</p> <p>This engagement process has shared and explained detailed pupil projection data, the underlying rationale for the proposed extension decision as well as listening and responding to concerns and or requests for further information from the wider parent and carer community. This included sharing detailed information on an option promoted by some community representative from Dargavel and Bishopton for a new secondary school for Dargavel, Bishopton and Langbank. As reported through the Education and Children’s Services Policy Board in August 2023, such an option had significant negative implications from a financial, educational, value for money and school estate perspective that discounted it as a credible option for detailed consideration.</p> <p>The Park Mains Liaison Group is proving to be a highly valuable engagement forum, providing a single route of engagement across the wider community as well as a key route to assist the Council to disseminate consistent key</p>	<p>This engagement activity will remain ongoing as part of the PMHS extension project through to August 2027 and beyond recognising the long-term monitoring of school roll projections at the high school.</p>	<p>Director of Children’s Services</p>

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	<p>messages and information updates across communities through trusted Parent Council communication channels. This engagement approach will inform how non statutory and informal engagement in relation to potential school estate changes and long-term strategic learning estate work may be taken forward in the future by the Council.</p> <p>Additionally, high levels of positive engagement are being secured as part of the space planning process for the new extension, supporting active parental and carer participation and influence in the design process of the new extension and wider changes to the school that are planned to be delivered. This is increasingly building a positive community commitment and level of direct participation in the delivery of the school extension and improvement project.</p> <p>The review of the Council’s engagement strategy as referred to above will include a qualitative assessment of the effectiveness of the Park Mains Liaison Group.</p> <p>Lastly, work is being progressed by officers to research how other councils have approached school extension projects, where a statutory consultation process is not required. The objective of this work is to inform the design of a framework to inform any future approach to early informal engagement that can be adopted by the Council in relation to school estate considerations or changes.</p>		

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	<p>Desk top work completed to date has identified a mixed picture with several councils having adopted a similar approach to that employed by the Council for the PMHS extension. However, there are some examples of the use of published options appraisals as part of Council reports and identified examples of planned informal engagement strategies deployed as part of long-term strategic school estate planning which provide some good practice approaches for reference.</p> <p>These individual elements of good practice that are evident across other councils can be collectively brought together and used to inform and guide the development of a proposed framework for use by the Council in its future strategic school estate planning programme (where appropriate this will pay due regard to the Scottish Government guidance on informal engagement that may occur prior to a statutory consultation process).</p> <p>In completing this work consideration will be given to sharing the output across the local authority sector given what appears to be a level of mixed and inconsistent approaches deployed across the country.</p>	<p>August 2024</p>	<p>Director of Children's Services</p>

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<p>We note that the new primary school is subject to a full public consultation.</p> <p>We expect the council to engage meaningfully with the community on this issue, and other decisions on the school estate.</p> <p>Again, we ask that the Controller monitors this situation, and reports to us in June 2024 on progress and earlier if necessary.</p>	<p>The Education and Children’s Services Policy board approved the planned consultation programme in January with a report on the outcome of the consultation planned to be brought back to Policy Board in May.</p> <p>A full programme of planned consultation and engagement activity has been developed with input from the Institute of Consultation to bring to the design process experience of recognised best practice deployed across the UK.</p> <p>Full details of the planned consultation process and activity will be provided to the external auditors as well as the opportunity to observe any of the planned information events and or formal consultation meetings.</p> <p>The approach specifically developed for this consultation process as well as the evaluation of its effectiveness will be used to inform a best practice approach for use in any future statutory and non-statutory school consultation processes as well as wider consultation and engagement activities the Council may undertake in relation to any future service or policy changes.</p>	<p>Consultation process has commenced and will fully complete with a report to the Education and Children’s Services Policy Board in May 2024</p>	<p>Director of Children’s Services</p>

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Learning lessons and building capacity			
<p>While the council’s initial response to the Bowles report was high level, we are assured by the Controller that its action plan in response is now sufficiently detailed and includes SMART objectives</p> <p>It will be important that this action plan is well-managed by senior officers and closely scrutinised by elected members of the council.</p>	<p>The action plan is regularly monitored by senior officers through existing officer governance arrangements in relation to Dargavel with an update on progress reported to each cycle of the Audit Risk and Scrutiny Board and updates will be shared with the external auditors on an ongoing basis.</p>	<p>Ongoing</p>	<p>Director of Finance and Resources</p>
<p>However, there are still significant uncertainties relating to</p> <ul style="list-style-type: none"> • the capacity needed in the long term, and • to the completion of the two building projects – the new primary school and the secondary school extension. <p>We therefore request that these matters are closely monitored in the annual audit work, and the Controller uses her powers to report any slippage or other issues to us if necessary.</p>	<p>Managing the Risk of Future Capacity Uncertainty</p> <p>The inherent uncertainty in relation to long term (15 year) pupil growth projections has been widely reported by the Council over the past year as an ongoing risk through both formal board reports, as well as engagement and communications with communities and in sharing data and reports with the external auditors. This is particularly recognised by the Council in the context of Dargavel Village having approximately 10 years of development still to deliver before achieving completion. It has also been trailed that the Council’s projection work to date with Edge Analytics has identified an expectation of a peak in demand to be reached which will then fall to a stabilised long-term level of demand – a similar pattern of demand growth has been evidenced across other similar long term community growth areas in the UK.</p>		

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	<p>The Council has heavily trailed the need to regularly monitor actual pupil numbers and update long term projections on a regular basis over coming years as a key response to being able to pro-actively manage this risk moving forward.</p> <p>This monitoring process will be key to assess the extent to which actual demand and revised projections is or is not tracking against the current projections that have informed the planned capacity levels that will be delivered by the current learning estate interventions and provide early indication of any risk of material deviation. The planned annual monitoring and updating approach that will be deployed over coming years will be shared with the External Auditors.</p> <p>Long term projection work completed to date has already modelled a range of potential demand scenarios for the primary sector and identified an expected peak of demand in 2033/34. Options that can be considered for deployment in future years to manage upper demand scenarios that would be exceed the planned capacity being delivered for primary sector education within Dargavel village, have already been identified and reported through the Education and Children's Services Policy Board in November and shared with community representatives.</p> <p>Should the monitoring arrangements over the coming years highlight projection of sustained demand trending towards the upper demand scenarios, an appraisal will be required to assess which of the options is most appropriate for</p>	<p>March 2024</p>	<p>Director of Children's Services</p>

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	<p>consideration to be deployed to meet the scale and nature of the additional future demand. This process will include early community engagement with school communities and will require timely assessment and associated decision making to allow planned delivery of any additional intervention well ahead of the developing need.</p> <p>In relation to the secondary sector, the impact of higher demand scenarios will take longer to emerge (mid to late 2030s) and similarly it has been well trailed in Council reports and with the community that long term monitoring and projection modelling may identify the need to consider options at an appropriate future point in time in respect to any further intervention and or decisions in relation to secondary sector provision across West Renfrewshire.</p> <p>Similarly, the long-term monitoring arrangements will facilitate early identification of such risks and will support early engagement with the appropriate primary and secondary schools that may be impacted by any future school estate changes.</p> <p>Delivery of New School Facilities</p> <p>It has been recognised by the Council that as a result of the very late identification of the significant under-capacity problems within both the primary and secondary sectors serving Dargavel, the Council has since late 2023 been operating within a highly compressed non-typical timeline to undertake all the associated capacity planning, land</p>		

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	<p>assembly, community engagement, statutory consultation, space planning, procurement arrangements before moving into project delivery in order to achieve operational delivery of the new facilities by August 2027.</p> <p>In broad terms, the Council is seeking to achieve all that is associated with the long-term strategic planning, engagement, consultation and operational delivery of a new school and major extension of a secondary school in a 4 ½ year period, when such an end-to-end process would normally run over a much longer period – a timeline of around 6-8 year would not be an untypical period of timeframe. Consequently, the Council is parallel running several activities that would in most circumstances be delivered in a broadly consecutive manner.</p> <p>The Council has established governance, programming, and resource arrangements in place to support the delivery of the new primary school and secondary school extension over the remaining 3 ½ year period through to the operational target date of August 2007.</p> <p>To date the external auditors have not undertaken any detailed scrutiny of the delivery programme or the arrangements in place. To provide assurance officers will provide a full overview of the current arrangements for the external auditors for their review and will support whatever audit work is required to allow them to assess the Council's current approach.</p>	<p>March 2024</p>	<p>Director of Children's Services</p>

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Impact on service provision			
<p>We note that the council has assessed that currently there has been no detriment to either teaching delivery or pupil education in the Dargavel and Bishopton areas from the interim measures introduced.</p> <p>We consider it critical that the council reports the results of these assessments publicly, regularly and in an accessible way, to maintain and rebuild community confidence.</p>	<p>Renfrewshire Council has a robust Quality Assurance framework involving regular meetings with Education Managers and school staff and planned school visits which focus in on the national quality assurance indicators (reviews).</p> <p>DPS had a visit in January as part of this process where key strengths under the national Quality Assurance indicators from How Good is Our School were evaluated, self-improvement and self-evaluation and Learning, Teaching and Assessment and a report was produced. In addition, Bishopton primary School and Park Mains High School were both recently inspected by HMI, receiving very positive reports.</p> <p>Further, every school submits a school improvement plan and a school improvement report (published on website) and their evaluations under the 4 key Quality Indicators (QIs) of their performance, based on data gathered through self-evaluation, HMI visits, internal visits and stakeholder input is submitted to Children’s Services in April.</p> <p>These are shared with the parent councils and will also be published on the school website as part of the self-evaluation process. This is in line with Education Scotland guidelines, the National Improvement Framework and statutory requirements.</p>	<p>Ongoing as part of the Service’s Quality Assurance Framework</p>	<p>Director of Children’s Services</p>

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	<p>The opportunity will be taken through the wider engagement channels established with the Dargavel, Bishopton and wider PMHS communities to sign post and raise awareness of parents and carers to this information to provide an ongoing understanding and reassurance in respect to the school evaluation arrangements and outputs.</p>	<p>Ongoing and will be incorporated into parent and school newsletters at appropriate points.</p>	<p>Head of Marketing and Communications</p>
<p>The Commission is also concerned at the possible wider impacts of the council's failings regarding the estimation of pupil numbers and whether this has had any impact on services provided by the council in the Dargavel area.</p> <p>We request that the Controller seeks further information on these issues so that we can understand the work that the council has done to understand these impacts.</p>	<p>The Council has considered a range of service provision and other issues for Dargavel Village in addition to addressing both primary and school provision. This has included the following which will be shared with the external audit team as part of their audit work:</p> <p>Leisure provision – the new primary school is planned to incorporate a full-sized floodlight synthetic pitch with associated changing facilities appropriate for community use recognising the removal of similar facilities through the history of the S.75 process since 2009, and the growing scale and demand for such facilities from children, youth and ultimately adult football within Dargavel and Bishopton which is expected to expand further as Dargavel develops. This facility will complement the resurfacing and improvement of two floodlight synthetic pitches at PMHS which will also serve the area as well as working with the local Community Trust to progress their sport provision ambitions within Bishopton. Beyond organised football, it would be expected that this facility would be capable of</p>	<p>In line with requests emerging from defined audit programme to be set by Azets</p>	<p>Chief Executive</p>

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	<p>supporting a range of potential community uses in the future.</p> <p>Community Facilities & planned play and recreation space – a key part of the planned design ethos of the new primary school is to create maximum flexibility to support delivery of a community asset that will be able to offer facilities for a wide range of community uses for all ages outwith school hours. This was identified through the space planning engagement stage and will address the failure to incorporate wider community use into the design of the existing Dargavel Primary School. This also recognises the future demand for such facilities as the development progresses and will provide useful insight for the Council as to how community use can be more effectively incorporated into the design of a new school and position such new facilities as attractive community hubs for active use beyond the school day.</p> <p>A review of planned play and recreation spaces within the masterplan / S.75 Leisure Strategy was also undertaken – although there have been issues identified with the scale and quality of play equipment provided to date at individual designated play park areas that has been raised with BAE Systems, the overall scale of provision was not influenced by the Council’s calculations of school roll projection.</p> <p>Transport and travel infrastructure and bus service provision – the Council has commissioned an external review of active travel and traffic modelling as part of planning for a second school within the masterplan area. A range of</p>		

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	<p>recommendations for consideration in relation to the masterplan infrastructure have been made and which will be progressed in discussion with BAE systems to enhance and improve the opportunity for active travel.</p> <p>In addition, detailed engagement has been undertaken with the Community to adapt proposals to utilise a financial contribution from the S.75 to establish a bus service, partly reflecting consideration of the anticipated number young people that will emerge from the development and the range of facilities they would most likely wish to travel to by public transport.</p> <p>Support to schools – arrangements to provide appropriate enhancement to management support to the school recognising the additional demand being placed on the school management teams were put in place early in the process. Moving forward, normal arrangements to assess and align both central support services to school as well as school management teams as school rolls expand will be undertaken in years to come.</p> <p>By way of example, there is a CAMHS officer who works as the link for Children’s Services and who is currently working with a group of schools in Linwood as part of a pilot to assess demand and how that is being met. The next cluster identified to receive this additional support will be Park Mains and we are working closely with Educational Psychologists and Family Wellbeing teams to ensure that, if</p>		

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	<p>there is an increase in expected demand, that this is being met and indeed planned for as the school roll expands over future years. Education Managers are monitoring and working closely with the school and the CAMHS officer will provide us with the data.</p> <p>NHS facilities and services – engagement has taken place with IJB/HSCP colleagues as the Dargavel review unfolded. In terms of data, pupil projection data relies on NHS data flowing to support the pupil projection modelling – pupil data does not conversely inform or influence NHS data and planning and therefore there was no identified risk to any under sizing of NHS planning as a consequence of pupil projection errors by the Council. IJB/HSCP colleagues have however considered the issue of planning for uncertainty in respect population growth at Dargavel in terms planning the design and delivery of the new health facility which will be future proofed for potential future extension if required.</p>		
Financial management and consequences			
<p>The financial impact of these failings on the council is significant. The council capped the risk and contributions from BAE Systems under the Section 75 agreement, and as a direct result faces estimated net additional capital costs of £60 million, to be met by borrowing. This is a substantial sum of public money. The council needs to clarify the opportunity costs of this in terms of its overall capital programme. The council projects that it will have a revenue budget deficit of up to £50 million by 2026/27 and will</p>	<p>The Council will be required to manage the financial impact of the unplanned delivery of a new primary school and larger extension at PMHS through the delivery of its wider financial strategy and any opportunity costs articulated as part of developing and delivering that strategy.</p>	<p>Will be considered in February 2024 as part of the Council’s annual budget considerations and updated</p>	<p>Director of Finance and Resources</p>

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<p>need to make difficult decisions on prioritising its spending, compounded by the financial consequences of this issue</p> <p>The council has recently negotiated a transfer of land from BAE for the construction of a new primary school. The Controller’s report indicates that this was in exchange for amendments to the extent and composition of the housing units for which planning permission has been granted.</p> <p>Given the reported determination of BAE to fully protect their commercial interests in the development, and the absence of alternative solutions for the council, it will be important to ensure and demonstrate that this exchange represents Best Value for the public purse.</p>	<p>The financial and wider factors considered by officers as part of the negotiation process with BAE systems to secure the associated land agreement and adjustments to the S.75 agreement will be set out in detail and shared with the External Auditors and will be reported through updates to the Audit Risk and Scrutiny Board and subsequently.</p>	<p>financial strategy.</p> <p>March 2024</p>	<p>Head of Economy and Development</p>
Council leadership, governance, and culture			
<p>The council’s action plan will be hugely important in further embedding improvements in this area. In particular, the following elements must be progressed urgently and transparently:</p> <ul style="list-style-type: none"> • the council’s review of its scrutiny arrangements against CIPFA good practice guidelines • the council’s review of its approach to risk management 	<p>Officers will provide the current scope and timings of the associated actions and current progress in relation to each action being progressed through the Council’s existing action plan to the Audit Risk and Scrutiny Board and where required will also be reported through any other appropriate governance route within the Council.</p>	<p>February 2024 and ongoing in relation to the outcomes associated with each action.</p>	<p>Director of Finance & Resources</p>

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<ul style="list-style-type: none"> • the council’s leadership development programme for officers. <p>To be satisfied of progress in these areas, the Commission requires the Controller to request further information from the council on the scope and timing of these actions, and report back to the Commission in the update requested for June 2024, or earlier if she thinks necessary.</p> <p>We also expect these issues to be covered in the accelerated Best Value report.</p>			
<p>The Commission is also concerned about the culture of the council and whether it has truly learned the lessons it needs to.</p> <p>We expect organisational culture to be an area of focus in the accelerated Best Value report.</p> <p>In particular, we request an update on whether the</p> <ul style="list-style-type: none"> • culture of the organisation is appropriately open and transparent, • encourages continuous improvement, • effective joint working between officers and members, effective scrutiny and challenge (especially by elected members), and • engagement and discussion with stakeholders. 	<p>The council’s auditors concluded that the council has appropriate governance arrangements in place with improvements over the years in member and officer relationships and effective leadership overall and were satisfied through their detailed audit work that the Council had demonstrated that the governance failings identified by the Bowles report were limited to the historic handling of Dargavel.</p> <p>The auditors did not highlight any concerns over the wider organisational culture in the Council or in its approach to managing major capital programmes but did identify that the role of the Audit, Risk and Scrutiny Board in ensuring effective scrutiny is not sufficiently clear and the Council has recognised this and is already significantly progressed with a review of the Audit Risk and Scrutiny Board and the outcome of this review will be shared with the local audit team.</p>		

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<p>factors taken into account by the council in considering disciplinary action against staff involved.</p> <p>In addition, and looking forward, the Commission asks for information on</p> <ul style="list-style-type: none"> • the council's approach to performance management and • its current policy on disciplinary action, <p>so we can be assured that appropriate arrangements are in place to ensure that staff have the necessary skills and that senior officers are properly accountable for their areas of responsibility.</p>	<p>request that may emerge from their planned audit work in this regard.</p>		