

To: Council

On: 22 June 2023

Report by: Chief Executive

Heading: Dargavel Primary School Independent Review – Response to Recommendations

1. Summary

- 1.1 Item 3A on the Agenda sets out the background to the instruction of the Independent External Review, including the Terms of Reference. The Independent External Review Report appears as Appendix 2 to that report.
- 1.2 This report is the Chief Executive's response to the findings and recommendations of the Independent External Review.

2. Recommendations

- 2.1 Council is asked to consider and note the Chief Executive's response to the findings and recommendations of the Independent External Review.

3. Background

- 3.1 Item 3A on the Agenda sets out the background to the instruction of the Independent External Review, including the Terms of Reference. The Independent External Review Report appears as Appendix 2 to that report. The Chief Executive has considered the content of the Review Report and accepts the findings and conclusions reached by the Review Lead. The Report makes for very difficult reading, and this will be especially so for families and community representatives in Dargavel, and the Chief Executive offers sincere apologies to all those impacted, for the historic errors detailed in the Report. The Review Lead makes a number of recommendations, and this report sets out the Chief Executive's response thereto.

3.2 Primary School Need in Dargavel

<i>Recommendation 1 - Build a more robust model of primary school need for Dargavel.</i>

<i>The Council should continue to refine its pupil forecast model for Dargavel utilising information from the NHS and data on house sizes.</i>
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<i>Lead Officer – Director of Children’s Services</i>
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- 3.2.1 The Council engaged Edge Analytics in November 2022 to assist in enhancing the robustness of its in-house pupil forecast modelling for the impact of Dargavel Village across both the primary and secondary sectors. Edge Analytics, specialise in demographic data analysis, with expertise in geography, data science and forecasting methods which combine data, technology, and analytical models to aid decision making. They specialise in advising local authorities across the UK on demographic forecasting and in particular forecasting future pupil rolls.
- 3.2.2 Edge Analytics have been retained and continue to work with officers to update and refine the Dargavel modelling, and this will continue over coming months including extending their detailed modelling timeframes to 2040 to enhance the existing longer term assessment in the secondary sector that has already been completed by Council officers and informed by the initial Edge Analytics work. Output from this work will continue to inform progress that will be reported on an ongoing basis to the Education and Children’s Services Policy board moving forward.
- 3.2.3 Additionally, as part of the long term strategic schools estate planning work currently being progressed, a longer term partner arrangement is intended to be commissioned to secure ongoing access to similar expertise moving forward. This will ensure the Council’s long term strategic estate planning is supported by sufficient levels of specialist expertise in relation to demographic and school roll forecasts. Further, it is intended that such a partnership commission will also provide the Council with the ability call down individual commissions to support more complex school roll modelling exercises that may for example be associated with future housing developments of material scale.
- 3.2.4 It should be noted that utilising commissioned specialist expertise to work alongside in-house capacity and skills, is a standard approach adopted across the Council where it is recognised the Council does not hold nor would be expected to hold such levels of expertise but should have arrangements in place to access such expertise and capacity as and when required. This approach is adopted in a very wide range of professional disciplines and supporting a wide range of major corporate projects, initiatives, and objectives.
- 3.2.5 It is clear from the Independent Review and up until the recent engagement of Edge Analytics that school roll projection and associated demographic modelling, whether for specific school projects, assessment of developer impacts or indeed long term strategic planning, has been a critical area of omission in terms of this standard approach of engaging external expertise at appropriate times. Assuming complete reliance on in-house capacity and skills to meet the Council’s needs was clearly a significant misjudgement and

consequently the historic deficiencies and errors have proven to be a major contributory factor to the historic failings outlined in the Report.

- 3.2.6 It is also a clear demonstration of the importance of the Council being aware as a corporate body, and across the senior leadership team in particular, as to the extent and more importantly limitations of the in-house skills and capacity and where and when access to appropriate external specialist skills and expertise is required to ensure robust and adequate risk based decision-making. As the Council continues to contract and change shape in response to medium term financial challenges, as well as managing the impact of competing with other public and private sector peers to attract and retain key skills, it will be increasingly important that the Council maintains access to a wide range of appropriate commissioned professional support arrangements and that these are effectively and flexibly utilised alongside in-house capacity and skills.

3.3 Catchment Areas

Recommendation 2 - Reconsider catchment areas
<i>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 Primary School. That is no longer the case. In its future plans the Council should reconsider how surplus capacity at Bishopton can be used effectively.</i>
Lead Officer – Director of Children’s Services

- 3.3.1 Mirroring arrangements adopted for the initial years of the Dargavel Village development, surplus capacity in Bishopton Primary School is planned to be utilised in the short term. Specifically, this will be in response to demand exceeding capacity at the existing Dargavel Primary School whilst a second primary school to serve Dargavel Village is delivered.
- 3.3.2 In line with previous recommendations to the Education and Children’s Services Policy Board, officers are currently progressing work to identify now, a range of flexible options for responding to and managing long term capacity demands that may arise from Dargavel Village, should school demand for non-denominational provision reach up to the upper end scenario of 1,500 pupils over the longer term.
- 3.3.3 As part of this work, Bishopton Primary School capacity (current and forecast), will be considered as part of the range of potential additional interventions which may be deployed in future years as part of managing this medium to longer term risk and uncertainty associated with primary school demand within Dargavel Village. Officers are due to report back in this regard to the Education and Children’s Services Policy Board in September.
- 3.3.4 It should however be noted that Bishopton Primary school, like many of the Council’s existing primary and secondary estate, was constructed many decades ago, specifically in 1962 with an extension added in the 1970’s. It is recognised that in such circumstances, with a school building over 60 years old, the remaining lifespan of the existing building will have inevitable limitations that must be considered when planning school provision over the long term. This particular aspect, which is far from unique to Bishopton Primary School, will be

considered in detail as part of the strategic planning that will begin to consider the long term implications (20+ years) in managing the schools estate.

3.3.5 Notwithstanding the strategic work that will be progressed over the medium term, it is important that Council decisions pay due regard to existing surplus capacity within the schools estate and how best this can be utilised, and does so in the knowledge of what the remaining lifespan is associated with the school building.

3.3.6 In this context, Bishopton Primary School will be appropriately considered when planning and scoping the size of new education infrastructure to support Dargavel Village, and as part of the associated redrawing of catchment areas that will need to be progressed as a second Dargavel Village primary school is delivered. The over-riding objective will be to deliver the best long term outcome to meet current and future long term educational needs, as well as how best to effectively manage the associated risk and uncertainty that inevitably arises from planning school rolls in a new community growth area such as Dargavel Village.

3.4 Developer Contributions

<i>Recommendation 3 - Produce robust supplementary guidance on developer contributions</i>

<i>As the Council progresses its plans to issue supplementary guidance on developer contributions for education it should seek to learn from other Councils in Scotland. A development the size of Dargavel is exceptional and would need its own modelling techniques. However, for smaller developments the Council should create an evidence base to calculate specific yield factors derived from recent developments in Renfrewshire. Such robust data will ease future negotiations.</i>
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<i>Lead Officers – Chief Executive and Head of Economy and Development</i>

3.4.1 The lack of supplementary planning guidance in relation to developer contributions has already been recognised as a gap within the guidance provided in Renfrewshire to supplement the Local Development Plan and support prospective developers understand how the Council will approach developer contribution requirements.

3.4.2 Work has already commenced in relation to this within the Planning Service and will consider best practice and well established examples elsewhere. A report setting out the anticipated timeline for developing and introducing draft guidelines for consultation will be brought to the next planning board cycle after the summer recess.

3.5

Working with BAE Systems

Recommendation 4 - Seek to work cooperatively with BAE

<p><i>Although ultimately the Council's responsibility, if BAE were aware that the Council underestimated demand then, by their acts of omission, they must have a degree of culpability.</i></p>

<p><i>BAE will have made a very substantial return from the increase in housing approved in 2018, and yet for this final phase have made contributions to education which are even more grossly inadequate than provided for in the first Section 75 Agreement.</i></p>

<p><i>When seeking agreement to the additional housing BAE did so on grounds of viability and called for the continuation of 'collaboration' and stakeholders needed to be 'open and flexible' to ensure the development's 'viability and success'. Even though the Council has shown gross incompetence it should engage with senior management in BAE. BAE have a commitment to 'ethical and responsible behaviour in all aspects of what we do' and should be encouraged to see what steps they can now take to ensure the 'viability and success' of their Dargavel development.</i></p>
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<p><i>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 increased its profits at the expense of Council taxpayers.</i></p>

Lead Officers – Chief Executive and Head of Economy and Development
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- 3.5.1 Since late 2022, the Chief Executive and Head of Economy and Development have led engagement with BAE Systems local Director with responsibility for the Dargavel Village development, with focus on requirements to address the identified shortfall in education capacity at Dargavel Village.
- 3.5.2 A key pre-requisite to provide confidence of delivery of a second primary school facility for the current and future communities within Dargavel Village is securing access to a suitable sized, remediated, and serviced site within the masterplan area. BAE Systems local representative has engaged constructively in this regard and recognised this requirement set out by Council officers.
- 3.5.3 For a number of months, Council officers have set out requirements for a specific plot within the masterplan to provide both an appropriate sized and located site to accommodate a second primary school facility with ancillary playground and pitch provision, and in addition have requested a small expansion plot of land located adjacent to the existing Dargavel Primary School to provide flexibility in the short term to expand social and playground space as well as longer term flexibility as part of the overall school site.
- 3.5.4 During these discussions, the local BAE Systems representative has indicated a willingness to work cooperatively with Council officers but has confirmed BAE Systems primary and over-riding objective is to fully protect their commercial

return metrics from the Dargavel Village development, and that these cannot be allowed to be diluted through whatever agreement is reached in relation to a land transfer. Further, in this context they have advised that any agreement to release land needs to be accompanied by appropriate masterplan adjustments.

- 3.5.5 Council officers, as well as being clear in respect to the land requirements within the masterplan, both in scale and location, have also set out for BAE Systems that there exist more than sufficient undeveloped land plots to fully accommodate the ask for education purposes and still facilitate the construction of the full 3,982 housing units consented for the masterplan area. In such circumstances, facilitating the requested land transfer at nil value should not therefore impact on BAE Systems overall masterplan delivery and provide certainty of land availability for delivery of a second school.
- 3.5.6 To date, BAE systems are yet to provide specific and conclusive details of what masterplan adjustments or other requirements it may seek in return for facilitating legal transfer of the land requirement set out by the Council, which would allow established Heads of Terms to be secured and associated detailed legal processes to ultimately proceed. This remains an area of ongoing and active discussion locally with BAE Systems. Most recently this engagement has focused on BAE Systems requesting clarification in relation to education roll projection modelling despite the Edge Analytics report being shared with them a number of months ago. Council officers and Edge Analytics are actively engaging with local BAE System representatives. They have also sought further information and clarification in respect to the position confirmed by the Council that the number of consented housing units under existing planning approvals is subject to a maximum level of 3,982 units and this further clarification is being provided. However, it is not clear to Council officers why this information at this stage is required to allow BAE Systems to proceed with arrangements that would facilitate agreement to transfer the requested land.
- 3.5.7 The Council's Chief Executive has now written to the Chief Executive of BAE Systems, as part of communicating the publication of the Independent Review Report and to request their personal intervention to expediate local discussions and provide certainty over the availability of land for the second primary school. The findings of the Independent Review make clear that BAE Systems will have financially benefited from historical failings of the Council when negotiating both the 2009 and 2018 S.75 agreements, particularly in respect to education provision. In this context the BAE Systems Chief Executive has been asked to reconsider protecting in full BAE Systems planned commercial return from Dargavel and, in line with their stated corporate commitment to ethical and responsible behaviour in all that they do, make the requested land available to the Council as soon as possible and without masterplan adjustments.
- 3.5.8 Additionally, BAE Systems have been asked to reconsider if, in the context of the review findings, there is wider commercial and ethical value in sacrificing some of their planned financial return from Dargavel village by making a voluntary contribution to meeting the costs of delivering additional education capacity for Dargavel Village – irrespective of there being no current legal obligation to do so and irrespective of apportionment of historic blame.
- 3.5.9 Notwithstanding the request set out above, local BAE Systems representatives are continuing to work actively with Council officers to support delivery of a solution. In this context, there remains an expectation that once clarity is

secured in relation to the associated heads of terms for a land transfer for the Council to consider, this would facilitate necessary legal agreements being drawn up and the transfer of land as quickly as possible. This would provide much needed certainty for families in Dargavel.

- 3.5.10 Whilst certainty on land transfer has not yet been secured with BAE Systems, Council officers are continuing to progress in parallel relevant project planning and other activities associated with delivery of a second primary school on the anticipation that the land transfer will be appropriately concluded in the near term and to ensure there are no unnecessary delays to overall delivery.

3.6 Corporate Working and Organisational Culture

<i>Recommendation 5 - Corporate working and organisational culture</i>

<i>Although I understand that the Council has sought to improve and strengthen corporate working in recent years, the evidence would suggest there is a long way to go; simply establishing corporate working groups is insufficient if staff are in a mindset of 'not my problem'.</i>

<i>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.</i>

<i>Lead Officers – Chief Executive supported by Director of Finance & Resources and Head of HR and Organisational Development</i>
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- 3.6.1 The Council's senior leadership team has undergone significant change in the past 2 years post-covid, with a new Chief Executive and new Leadership Team who are fully committed to collaborative corporate working, new ways of working in a post covid environment, and living and embedding the Council's values – fair, helpful, collaborative, and learning.
- 3.6.2 Significant transformation projects and major capital programmes are being delivered, through supportive cross-service delivery teams, working effectively across the council, with local and national partners and in many instances with commissioned partners providing specialist professional and commercial expertise. The circumstances and failings in relation to the corporate working which existed in relation to the Dargavel Village development are not indicative of how the current senior leadership team or organisation operates today.
- 3.6.3 Nevertheless, there remains a strong commitment to continuous improvement and there are key points of learning from the findings detailed in the independent review report that will be incorporated into how we approach major projects in future and how we continue to build the skills of the Council's senior leadership team moving forward.
- 3.6.4 In recognition of the scale of change and turnover across the senior leadership team that has been implemented over the past 2 years, a programme of engagement and development for the Council's wider senior leadership team was already in development focused on governance and corporate support

arrangements. Specifically, this is considering the effective operation of programme/project governance within the Council's wider organisational governance arrangements, and how and when key support and engagement from the Council's professional support functions should be established and with a particular emphasis on how key programme and project risks should be managed.

- 3.6.5 This programme will now be enhanced and will include specific organisational development in relation to effective corporate working across the senior leadership team and specifically within the context of major corporate projects and is anticipated will be delivered over the course of 2023.

3.7 Risk Management

Recommendation 6 - Risk management
<i>From documents I have seen the Council was unaware of the scale of risk it was taking in the calculation of pupil numbers. The identified risk in Council documents related to providing 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.</i>
<i>The Council needs to review how it both identifies risk and manages it.</i>
Lead Officers – Director of Finance and Resources

- 3.7.1 The finding that emerged in relation to the handling of risks associated with a project as significant as the Dargavel Village development is not representative of how the Council now operates large scale projects nor how understanding commercial risk and developing appropriate mitigation strategies is approached.
- 3.7.2 Major projects have established risk management approaches that are deployed and supported on an ongoing basis by multi-disciplinary teams. Additionally, appropriate, and active use is made of a range of external support and expertise to assist the Council to identify and manage commercial risk, in particular, where such risk is being managed is part of commercial negotiations with an external party.
- 3.7.3 By way of illustration, the Council's recent appointment of a Joint Venture Partner to assist the Council to manage the long term commercial development of the Advanced Manufacturing and Innovation District (AMIDs) represents an effective example of current practice. The AMIDs JV partner will support the Council with a long term arrangement to access the requisite experience, skills, market intelligence, market networks and capacity to take forward a long term commercial development and engage professionally and robustly in commercial market negotiation as part of developing out the AMIDs site. In addition, the JV structure and approach to delivering future occupiers will maintain long term control over the AMIDS land for the Council whilst insulating the Council from commercial development risk, retaining this within the JV partnership and sharing it with the JV partner. In addition, the tendering,

assessment, negotiation, and appointment process associated with the JV Partnership was a complex process with material commercial risk consideration and negotiation. In this regard, the Council commissioned multi-disciplinary professional advice to support internal skills and resource to ensure the Council was adequately prepared for managing all aspects of the procurement process that led to the ultimate appointment of the JV partner.

- 3.7.4 However, it is important that key lessons from this independent review are recognised and taken on board. In response it is proposed to undertake a programme of review of current risk management processes supporting major projects and deliver a programme of development across the Council's senior officer cohort in relation to identifying, managing and mitigating project risk, with a particular emphasis on commercial risk when contracting with external third parties as part of major projects and procurement exercises. It is expected that this programme of review and training will be progressed over the course of 2023.

3.8 Role of Members

<i>Recommendation 7 - Role of members</i>
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<i>Whilst protecting the integrity of the planning process, the Council needs to ensure the appropriate involvement of members in such developments.</i>
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<i>Lead Officers – Chief Executive and Head of Economy and Development</i>

- 3.8.1 The Council is progressing a significant long term placeshaping agenda and major regeneration projects as well as long term strategic management of the schools estate. Regular and appropriate engagement with elected members will continue to remain a key feature of such major projects to ensure appropriate involvement of members is maintained throughout as well as appropriate and regular reports being provided to the relevant policy board.

3.9 Public confidence

<i>Recommendation 8 - Public confidence</i>
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<i>These recent events and the matters described in this report will dent public confidence in the Council. 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.</i>
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<i>Lead Officers – Director of Children's Services supported by the Head of Marketing and Communications</i>

- 3.9.1 Current officers deeply regret the distress and anxiety experienced by families in Dargavel, and we fully understand the value of educational experience and how important this is to parents and carers. It is also recognised and accepted that it will take time to rebuild public trust and confidence, given the unacceptable way the Dargavel development was previously managed.

- 3.9.2 To date, everything possible is being done to deliver the right solution for families in Dargavel and the current leadership team is united in their commitment to continue to work with the community at each stage. Officers will continue to work pro-actively and positively to maintain strong engagement with Dargavel parents, Bishopton parents, Park Mains High School parents and associated feeder primary schools recognising the wider impact associated with high school provision. The importance of transparent and effective engagement is not under-estimated and is recognised as a key pre-requisite to rebuilding trust and moving to a position where the community will judge officers on actions moving forward, and not on mistakes of the past.

Implications of the Report

1. **Financial** – There are no implications arising directly from this report.
2. **HR & Organisational Development** – several of the recommendations will support specific organisational development to strengthen the skills and capacity of the Council’s key leadership capabilities.
3. **Community/Council Planning** – there are no implications arising directly from the report
4. **Legal** – as detailed in the report progress is sought to be made with BAE Systems to facilitate the legal transfer of land within the Dargavel Village masterplan to support delivery of additional primary school provision.
5. **Property/Assets** – There are no implications arising directly from this report.
6. **Information Technology** – There are no implications arising directly from this report.
7. **Equality & Human Rights** – There are no implications arising directly from this report.
8. **Health & Safety** – There are no implications arising directly from this report.
9. **Procurement** – There are no implications arising directly from this report.
10. **Risk** – There are no direct implications arising directly from this report although the report outlines actions that will be taken that seek to strengthen the Council approach to risk management of major projects and the handling of commercial risk.
11. **Privacy Impact** - none
12. **Cosla Policy Position** – none.

List of Background Papers

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