

Renfrewshire Council – statutory follow-up report

Interim Secretary to Accounts Commission

Item 6
Meeting date: 8 August 2024

Purpose

1. The purpose of this paper is to introduce the Controller of Audit's update report on School accommodation for Dargavel Village, produced following the Commission's consideration of the previous section 102 report in January 2024. The paper also provides background and procedural information to assist the Commission in its consideration of the report.

Recommendations

2. The Commission is invited to:
 - Consider the Controller of Audit's report
 - Approve the proposed publication arrangements
 - Decide how it wishes to proceed.

Background

3. The 2022/23 annual audit report for Renfrewshire Council was published in January 2024. The appointed auditor (Azets) issued an unqualified opinion on the accounts.
4. In June 2023, the Council received the findings of the [Independent Review of the Council's assessment of the demand for education for Dargavel Village, secured in Section 75 Agreements with BAE Systems](#), by David Bowles. Mr Bowles is a former local government Director and Chief Executive. The Bowles report highlights significant failings in leadership and risk management, and a disregard of concerns expressed by the local community. The Council has accepted the recommendations of the report in full and has issued an apology to the local community.
5. The Controller of Audit decided to use the reporting powers available to her under section 102(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.
6. At its meeting in January 2024, the Commission considered the Controller of Audit's report and [published its findings on 18 January 2024](#). As part of its findings, the Commission requested an update from the Controller no later than June 2024, on progress on the issues raised, specifically:
 - 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.
7. The Commission also agreed to bring forward Renfrewshire's Best Value report to December 2024, and reserved the right to hold a public hearing on this and related matters if members were not satisfied with the updates on the council's progress.
8. On 22 May 2024, a UK General Election was called for 4 July. In line with official guidance, Audit Scotland and the Accounts Commission did not undertake any public activities or publish any reports during the pre-election period, which began on 25 May. As a result, this report was deferred to the Commission's August meeting.

The Controller of Audit's report

9. The Controller of Audit's report provides further information and updates on the five specific areas highlighted by the Commission.
10. Just like the original report, this report is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
11. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
- the accounts of local authorities audited under the Act;
 - any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
 - the performance by a local authority of their statutory duties in relation to best value and community planning.
12. A copy of the report was sent to Renfrewshire Council on 31 July 2024 by the Controller of Audit (the same day it was issued to Accounts Commission members). The council has been advised that it is obliged to supply a copy to each member of the council and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the Council it is effectively in the public domain.

Procedure

13. The Commission will note that this report is made under the same legislation as the recent reports on best value and the previous report on Renfrewshire. The process outlined below is therefore the same.
14. The legislation provides that, 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.
- 15.** Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.
- 16.** Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence and judgements presented in the report. This is done in the public part of the Commission meeting.
- 17.** The Commission is then expected to consider in private how it wishes to proceed. Subsequently, the Commission is obliged by statute to inform the Council of its decision, which the Commission does before making the decision public.
- 18.** If the Commission decides to make findings, the council is required by statute to do the following (and did so for the January report):
- consider the findings of the Commission within three months of receiving them
 - publish in a newspaper circulating in the local area a notice stating the time and place of the meeting, indicating that it is to be held to consider the findings of the Commission and describing the nature of those findings (at least seven days before the meeting)
 - after the council has met:
 - notify the Commission of any decisions made
 - publish in a newspaper circulating in the local area a notice containing a summary, approved by the Commission, of the Council's decision.
- 19.** The Commission asks the council for a meeting, preferably in the period between the Commission publishing findings and the council considering them, to do the following:
- for Commission members to hear what the council thinks of their findings
 - to discuss what the council will do with the findings
 - to confirm any next steps
 - to review the audit process.
- 20.** The Commission visited Renfrewshire Council for a meeting, following its January report, but before the matter was considered by the full council.
- 21.** If the Commission decides to hold a hearing, arrangements and processes are largely down to the Commission to decide. Hearings are rare (the last was in 2010). As noted above, the Commission could make findings and then hold a hearing (actions can be taken in "any order"). But it would be more likely to hold a hearing to inform findings. The circumstances in which the Commission might wish to hold a formal hearing are likely to include:

- where the Commission has serious concerns about the performance of a council as demonstrated in the audit report
- where the Commission considers that its findings would be better informed by hearing directly from the local community and the Council
- where there is a strong difference of opinion between the Controller of Audit and the council.

Publication arrangements

22. The issue of Dargavel school, and the Commission's January report, have been high profile in local and national media. Whether or not the Commission chooses to make findings, and irrespective of whether it decides to hold a hearing, the Controller's report will be published soon after the meeting. This will be accompanied by the usual news release and media activity.

Conclusion

23. The Commission is invited to:

- consider the Controller of Audit's update report on School accommodation for Dargavel Village
- approve the proposed publication arrangements
- decide in private how it wishes to proceed.