

Statutory report: School accommodation for Dargavel Village

Secretary to Accounts Commission

Item 5
Meeting date: 11 January 2024

Purpose

1. The purpose of this paper is to introduce the Controller of Audit's report on School accommodation for Dargavel Village, produced following the 2022/23 audit of Renfrewshire Council. 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 to be 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.

The Controller of Audit's report

5. The Controller of Audit's report provides full background on the issue, the Bowles report, and a timeline of events.
6. It's important to note that the Controller's report is focused on the actions the Council has taken in response to the Bowles report and the lessons that have been learnt – it does not seek to repeat Mr Bowles's review of the factors that led to the issue arising.
7. The Controller also notes that the Council has developed an action plan for its response, and the focus of the Controller's conclusions are on that action plan. The report concludes by stating that:

“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.”

8. The 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).
9. 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.
10. A copy of the report was sent to Renfrewshire Council on 4 January 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

11. The Commission will note that this report is made under the same legislation as the recent reports on best value. The process outlined below is therefore the same.
12. 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.
13. 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.
14. 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.
15. 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.

- 16.** If the Commission decides to make findings, the council is required by statute to do the following:
- 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 clear 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.
- 17.** 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.
- 18.** 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.

Correspondence

19. The Commission Support Team has received correspondence from the Chair of Dargavel Primary Parent Council. The correspondence expresses strong concerns about the ongoing actions of the Council and the extent to which it is learning lessons following the Bowles report, particularly concerning its engagement with the local community and the decision to expand Park Mains High School. The Chair of the Parent Council also indicated that the community has received legal advice which, he says, indicates a high prospect of success at Judicial Review of challenging the decisions made by the Council.

Publication arrangements

20. The issue of Dargavel school has 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. If the Commission decides that further audit work is required, the Commission will need to consider whether to publish the section 102 report now or wait until that work is completed, although as it is part of the public papers pack for today the report is already effectively in the public domain.

Conclusion

21. The Commission is invited to:

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