

**EXCERPT FROM THE MINUTES OF
AUDIT AND GOVERNANCE PANEL
OF 7 SEPTEMBER 2022**

Call in from Cabinet – “Transfer of the Site of the John Pollock Centre to Housing Revenue Account”

Reference was made to the Minutes of the Cabinet of 30 August 2022 (Page XX, paragraph 7) when the Cabinet had decided

- (1) to note that the consultation carried out by the Director - Place with tenants and the public had been largely in favour of the proposed transfer of the site from the General Fund to the HRA for nil consideration; and
- (2) to grant authority to transfer the site of the John Pollock Centre from the General Fund to the HRA at nil value ahead of a proposed residential development in accordance with the explanation set out in the report and provided that the Council's Housing Revenue Account met the abnormal costs of £3,222,539.

The Panel was advised that the report had been the subject of a [call-in](#) (issued), details of which were outlined by Councillor Philip Saxton when he introduced and spoke to the call-in.

A full discussion took place in relation to the public consultation exercise which the Panel noted had been broadly supportive; the apparent discrepancy of costings for demolition works within the report, and the requirement to ensure that public money was spent responsibly.

Questions were raised by Panel Members in relation to:-

- (a) whether Officers had considered carrying out the consultation again once the demolition cost figure had been updated; and the Assistant Director – People advised that error was not considered a material change and tenants and residents had been given three weeks to respond to the consultation;
- (b) the transfer of the monies from General Services Capital Programme to Housing Revenue Account; and the Assistant Director – People advised that a decision on this matter had been taken at Leadership Panel of 26 November 2019 as outlined in the responses to the call-in (issued); and that the total abnormal costs had been included in the costs detailed in the report entitled “Affordable Housing – Mainholm Road, Ayr” which had been approved by Cabinet on 30 August 2022, however, the recommendations contained in this report could not be progressed until the transfer value was agreed; and
- (c) the impact of transferring the costs to HRA; and the Service Lead – Corporate Accounting advised that there was no impact as this was factored into projected calculations.

The Chief Executive referred to the previous decisions taken on this matter at Leadership Panel and Cabinet; advised that, in order for costs to be met from General Services, approval of a subsidy from General Services Capital Programme to Housing Revenue Account would be required from the Scottish Government; and outlined that the total abnormal costs of £3,222,539 had been included in total project costs outlined in a separate report Affordable Housing – Mainholm Road, Ayr approved by Cabinet on 30 August 2022.

The Chair then outlined the options open to the Panel when considering this call-in.

Councillor Bell, seconded by Councillor Weir moved that the Panel uphold the decision of the Cabinet.

By way of Amendment, Councillor McGinley, seconded by Councillor Scott moved that the matter be referred back to the Cabinet with the recommendations that the Cabinet consider if the consultation was materially flawed and required remedy; and to ascertain if the additional cost of demolition to be borne by the Housing Revenue Account met the Best Value criteria.

Four Members voted for the Amendment and three for the Motion. The Amendment was accordingly declared carried and the Panel

Decided: that the matter be referred back to the Cabinet with the recommendations that the Cabinet consider if the consultation was materially flawed and required remedy; and to ascertain if the additional cost of demolition to be borne by the Housing Revenue Account met the Best Value criteria.