

South Ayrshire Council

**Report by Depute Chief Executive and Director
of Housing, Operations and Development
to South Ayrshire Council
of 29 June 2023**

**Subject: Transfer of the Former St Ninians School Site from the
General Fund to the Housing Revenue Account**

1. Purpose

- 1.1 The purpose of this report is to obtain Council approval to transfer the site encompassing the former St Ninians Primary School in Adamton Road, Prestwick from the General Fund to the Housing Revenue Account (HRA) at nil value provided that the Housing Revenue Account (HRA) meets the abnormal costs of £791,331 ahead of a proposed development of Council housing. The extent of the site is shown in [Appendix 1](#).

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 notes that the consultation carried out by the Council on 5 October 2022 and 7 February 2023 with the tenants and the public was in favour of the proposed transfer of the site from the General Fund to the HRA; and**
- 2.1.2 grants authority to transfer the site of the former St Ninians Primary School from the General Fund to the HRA at nil value ahead of the proposed residential development provided that the Council's HRA meets the abnormal costs of £791,331.**

3. Background

- 3.1 On 26 November 2019, Members agreed a report at Leadership Panel on an options study for the future use of the St Ninians Primary site once the school had been decanted into the new campus. It was agreed that plans should be developed to build affordable housing on the land and that the site should be added to the Strategic Housing Investment Plan (SHIP) 2021/22-2025/26
- 3.2 A further report was agreed at Leadership Panel on the 26 October 2021 seeking approval to submit a New Project Request to HubSW to appoint a contractor and design team to develop plans for affordable housing on the St Ninian's school site and to seek approval to add the project to the HRA Business Plan/Capital Programme with the associated budget allowance of £7.2m. The site, which extends to approximately 1.52 hectares, would see a mixed development of 42 housing units.

- 3.3 On 29 June 2022, Council approved an Updated Policy for the Acquisition and Disposal of Land and Buildings. The policy on HRA land acquisition and disposal was included and this transfer of the former St Ninians Primary school site from the General Fund to the HRA is in accordance with paragraphs 2.3 and 41.5-4.1.10 of the Updated Policy.
- 3.4 In terms of the community consultation details of the consultation were placed on the SAC Tenant Participation Facebook page on 5 October 2022. Invite emails to local councillors/portfolio holders and community councils were sent out on 7 October 2022. Flyers were posted locally on 8 October 2022. An in person community consultation took place on 12 October 2022 at Prestwick Academy. All local and surrounding residents, relevant ward members and Portfolio Holders were invited to attend. The in person was attended by Special Projects, Housing Officers, the contractor McTaggart, the architects ABC and Hub SW. The plans were able to be viewed and any concerns raised answered as best as possible. The staff members from the new Prestwick Educational Campus were in attendance and colleagues spoke with the nursery teachers for future tie ins with the school and nurseries throughout the construction process. The public consultation feedback and attendance forms were collected at the event on the 12 October 2022. The consultation event related to the provision of affordable housing on the St Ninian's site rather than the transfer of the site from the General Services account to the HRA The response was in favour of the proposed development.
- 3.5 Council tenants were consulted on this proposal at the Tenant Monitoring Group which took place on 7 February 2023 with the response being in favour of the proposed development.
- 3.6 Section 74 (2) of the Local Government (Scotland) Act 1973 places a duty on the Council to achieve the best consideration that can reasonably be obtained in the disposal of land or buildings, except where disposal at less than the best consideration is in accordance with the above Act and/ or Regulations passed under the Act. In addition, the disposal of land or buildings from the Housing Revenue Account (HRA) may require the consent of Scottish Ministers under section 12(7) of the Housing (Scotland) Act 1987. Similarly, consent is required under section 203(2) of the 1987 Act to transfer land or buildings between the HRA and the General Fund.
- 3.7 The Scottish Government has introduced guidance on how Councils seek consent to dispose of assets from their HRA or to transfer assets between the General Fund and HRA. In order to improve efficiency and introduce uniformity across General Fund and HRA disposals, a general consent process in line with the existing 'Disposal of Land by Local Authorities (Scotland) Regulations 2010' has been developed. Under General Consent, Councils are able to 'self-certify' consent where two key considerations have been met: the disposal price is in line with a best consideration valuation performed by a surveyor accredited to the Royal Institution of Chartered Surveyors (RICS) and an appropriate level of tenant and public consultation has taken place.
- 3.8 In the case of a proposed transfer from the General Fund to the HRA where the end use is the development of council housing, the market value test may not be met but the Council may determine that a transfer for less than market value will in fact represent 'best value' as the supply of social housing in the area will increase. In such cases, the Council should self-certify the following:

- That the disposal fits with the Council's strategic housing context (i.e. that a below market value disposal can be justified);
- The site value and anticipated disposal value; and
- That appropriate consultation has taken place.

4. Proposals

4.1 The 'headline' amount a buyer could reasonably expect to pay to purchase the site for the development of housing, if it was being sold on the open market. As the site will be developed for Social Housing DM Hall has valued the site based on market value and Social housing value.

4.2 In order to comply with the approved policy and be in a position to self-certify consent, valuations have been obtained from an independent surveyor and consultation on the proposal has taken place with the tenants.

4.3 The values reported by DM Hall were as follows:

- Market Value – assuming social housing £630,000
- Market Value – assuming private housing £1,650,000

4.4 Both of the opinions of value reflect the subjects on a cleared site basis and assume the buildings presently on site have been demolished.

4.5 Abnormal development costs include items such as demolition of the buildings and the cost of addressing any unusual grounds conditions or contamination, These costs are normally deducted from the gross Market Value to arrive at the amount payable. For this site, the abnormal costs have been estimated at £791,331 and have been identified as outlined in Table 1 below:

Table 1 – Abnormal costs

Abnormal	Cost
Demolition of School	£309,875
Peat removal	£37,755
Piling/Vibro including platforms and mats	£187,819
Ground beams etc for piles	£166,086
Gas barriers below plots	£89,796
Total	£791,331

4.6 Building affordable housing on this site offers a number of social and economic benefits to the Council and its partners including:

- Increased economic activity throughout the construction process;
- Improved health, poverty and environmental outcomes from providing warm and energy efficient affordable housing;

- Increasing the supply of affordable homes that better meet the needs of South Ayrshire's ageing population; and

4.7 Increasing the supply of good quality affordable housing is identified as a strategic priority in South Ayrshire's Local Housing Strategy and Council Plan. The Council's Strategic Housing Investment Plan identifies the former St Ninians Primary school as a key site for delivering 42 affordable homes that will make a significant contribution towards meeting existing housing need in South Ayrshire. There are currently no other potential housing sites of this size immediately available to the Council in this locale.

4.8 Whilst recognising that a higher value may be obtained if the ground was sold on the open market it is proposed that the Council accepts the market value - social housing at £630,000 in order to support the delivery of affordable housing.

4.9 It is proposed that the abnormal costs of £791,331 are deducted from the market value – social housing of £630,000. and that the site is transferred from the General Fund to the HRA at nil value ahead of the proposed development of Council housing.

4.10 It is proposed that the HRA is responsible for the abnormal development costs as detailed in paragraph 4.5 which are part of the overall development costs for the proposed development. The HRA will be responsible for all costs associated with the site at the point of transfer.

4.11 Subject to Stage 2 approval for the new build housing proposals at August Cabinet, the demolition works should start in October 2023

5. Legal and Procurement Implications

5.1 Legal advice has been provided with regard to the content of this report, but there will be no legal documentation required to transfer the site from the General Fund to the HRA.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 The HRA would be expected to meet the abnormal development costs of £791,331 resulting in a nil value transfer value from the HRA to the General Services account.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are risks that the abnormal development costs associated with adopting the recommendations will increase.

8.2 **Risk Implications of Rejecting the Recommendations**

- 8.2.1 If this proposal is rejected, the site will not be able to be developed for Council housing, as approved by the Council in the SHIP, which will impact adversely on housing supply numbers.
- 8.2.2 If this proposal is rejected, there is a risk that the Council could lose the funding allocated to the project from the Affordable Housing Supply Programme (AHSP).
- 8.2.3 If this proposal is rejected, there is a risk that the wider economic benefits of significant construction activity in Prestwick will not be realised.
- 8.2.4 If this proposal is rejected, there is a risk that housing list waiting times and time spent in temporary homeless accommodation will increase.
- 8.2.5 If this proposal is rejected, there is a risk that the housing capital programme, as approved, will not be delivered.

9. **Equalities**

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

10. **Sustainable Development Implications**

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - The proposals in this report do not represent a qualifying plan, programme, policy, or strategy for consideration for SEA. There exists therefore no obligation to contact the Scottish Government Gateway and no further action is necessary. An SEA has not been undertaken.

11. **Options Appraisal**

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. **Link to Council Plan**

- 12.1 The matters referred to in this report contribute to Priority 2 of the Council Plan: Live, Work, Learn and outcome Housing - Everyone can find a good quality home, that they can afford, that meets their needs and is in an area where they feel safe and connected.

13. **Results of Consultation**

- 13.1 Consultation on the proposed transfer has taken place with both tenants and residents as detailed in paragraph 3.3 and 3.5 of this report.
- 13.2 Consultation has taken place with Councillor Martin Kilbride, Portfolio Holder for Buildings, Housing and Environment, and the contents of this report reflect any feedback provided .

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Depute Chief Executive and Director of Housing, Operations and Development will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

Implementation	Due date	Managed by
Transfer site from General Fund to HRA	5 July 2023	Service Lead – Professional Design Services/ Service Lead - Asset Management and Community Asset Transfer Manager/ Head of Finance, ICT and Procurement

Background Papers **Report to Leadership of 12 February 2019 – [Prestwick Shared Educational Campus](#)**

Report to Leadership Panel of 29 October 2019 – [Future Use of St Ninian's Primary School Site](#)

Report to Leadership Panel of 26 October 2021 – [St Ninian's Primary School Site – Affordable Housing](#)

Report to South Ayrshire Council of 29 June 2022 - [Updated Policy for the Acquisition and Disposal of Land and Buildings](#)

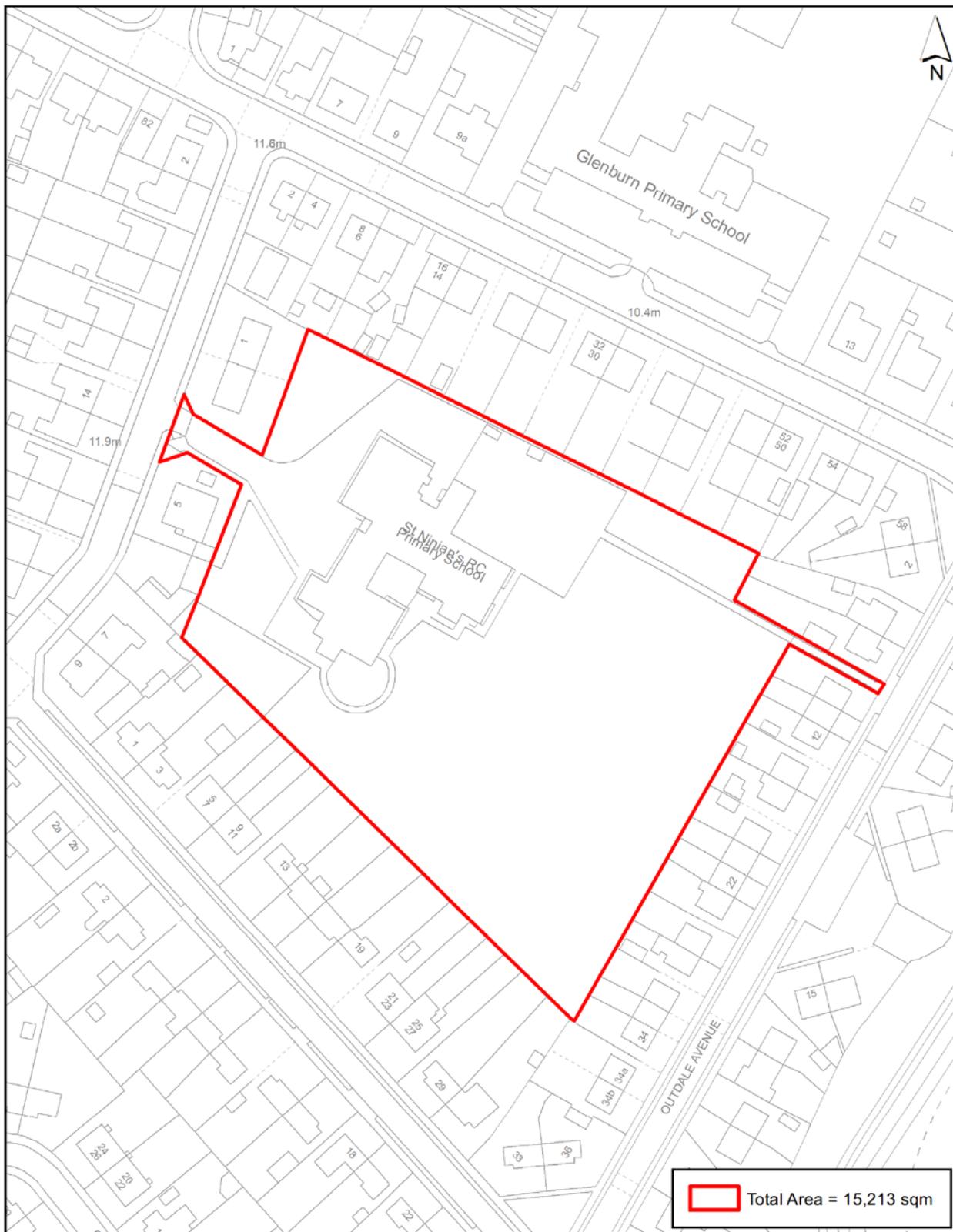
Person to Contact

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Date: 21 June 2023



Former St Ninian's Primary School, Prestwick.

Scale 1:1250



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South Ayrshire Council
Equality Impact Assessment including Fairer Scotland Duty

Section One: Policy Details*

Name of Policy	Acquisition and disposal policy (June 2022)- Transfer of the former St Ninians Primary school site from the General Fund to the HRA
Lead Officer (Name/Position)	Chris Cox Assistant Director – Planning and Development Chris.cox@south-ayrshire.gov.uk
Support Team (Names/Positions) including Critical Friend	Tom Burns Service Lead – Asset Management and CAT Tom.burns@south-ayrshire.gov.uk Pauline Bradley Service Lead – Professional Design Services Pauline.bradley@south-ayrshire.gov.uk

*The term Policy is used throughout the assessment to embrace the full range of policies, procedures, strategies, projects, applications for funding or financial decisions.

What are the main aims of the policy?	To transfer the above site from the General Fund to the HRA in accordance with paragraphs 2.3 and 4.1.5 - 4.1.10 of the updated acquisition and disposal policy- June 2022
What are the intended outcomes of the policy?	To move forward the demolition of the former St Ninian's Primary school site to enable the site to be developed for 42 affordable Council houses including 6 wheelchair accessible units

Section Two: What are the Likely Impacts of the Policy?

Will the policy impact upon the whole population of South Ayrshire and/or particular groups within the population? (please specify)	The decision will potentially impact on people with health, social or affordable housing needs.
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Considering the following Protected Characteristics and themes, what likely impacts or issues does the policy have for the group or community?

List any likely positive and/or negative impacts.

Protected Characteristics	Positive and/or Negative Impacts
Age: Issues relating to different age groups e.g. older people or children and young people	Positive: Potential new accommodation will meet increasing age related needs of the population
Disability: Issues relating to disabled people	Positive: Potential new accommodation will improve disability facilities. There are 6 wheelchair accessible units proposed for the new site
Gender Reassignment – Trans/Transgender: Issues relating to people who have proposed, started or completed a process to change his or her sex	Positive: New arrangements would be inclusive to all irrespective of a person's gender.
Marriage and Civil Partnership: Issues relating to people who are married or are in a civil partnership	Positive: New arrangements would be inclusive to all irrespective of a person's marital/civil partnership status.
Pregnancy and Maternity: Issues relating to woman who are pregnant and/or on maternity leave	Positive: New arrangements would be fully inclusive to this group.
Race: Issues relating to people from different racial groups,(BME) ethnic minorities, including Gypsy/Travellers	Positive: New arrangements would apply equally to Individuals of all racial groups
Religion or Belief: Issues relating to a person's religion or belief (including non-belief)	Positive: New arrangements would be fully inclusive to all religions and beliefs (including non-belief).
Sex: Issues specific to women and men/or girls and boys	Positive: new arrangements would have a positive impact on both men and women.
Sexual Orientation: Issues relating to a person's sexual orientation i.e. LGBT+, heterosexual/straight	Positive: New arrangements would be fully inclusive to all irrespective of a person's sexual orientation.

Equality and Diversity Themes Relevant to South Ayrshire Council	Positive and/or Negative Impacts
Health Issues and impacts affecting people's health	Positive: Potential new accommodation will improve health service provision
Human Rights: Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections.	Positive: Any potential new accommodation will require planning permission with opportunity to comment

Socio-Economic Disadvantage	Positive and/or Negative Impacts
Low Income/Income Poverty: Issues: cannot afford to maintain regular payments such as bills, food and clothing.	Positive: Potential new accommodation will directly assist persons in poverty needing services. Negative: Potential relocation of services may result in service users requiring to travel further for services.
Low and/or no wealth: Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	Positive: Potential new accommodation will directly assist persons of low income needing services.
Material Deprivation: Issues: being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	Positive: Potential new accommodation will directly assist persons experiencing material deprivation needing services.
Area Deprivation: Issues: where you live (rural areas), where you work (accessibility of transport)	Positive: Potential new accommodation may assist persons in area deprivation needing services by providing improved services in a location accessible by a variety of public transport.

Section Three: Evidence Used in Developing the Policy

<p>Involvement and Consultation In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation? Who did you involve, when and how?</p>	<p>An in person community consultation took place on 5 October 2022 at Prestwick Academy. All local and surrounding residents, relevant ward members and Portfolio Holders were invited to attend. The in person was attended by Special Projects, Housing Officers, the contractor McTaggart, the architect ABC and Hub SW. The plans were able to be viewed and any concerns raised answered as best as possible. Feedback forms were handed out and filled in with</p>
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	<p>questions and contact details for residents and interested parties were taken as part of the process. The staff members from the new PEC were in attendance and colleagues spoke with the nursery teachers for future tie ins with the school and nurseries throughout the construct</p> <p>Council tenants were consulted on this proposal at the Tenant Monitoring Group which took place on 7 February 2023 with the response being in favour of the proposed development.</p>
<p>Data and Research In assessing the impact set out above what evidence has been collected from research or other data. Please specify what research was carried out or data collected, when and how this was done.</p>	<p>On 26 November 2019, Members agreed a report at Leadership Panel on an options study for the future use of the St Ninians Primary site once the school had been decanted into the new campus. It was agreed that plans should be developed to build affordable housing on the land and that the site should be added to the Strategic Housing Investment Plan (SHIP) 2021/22-2025/26</p>
<p>Partners data and research In assessing the impact(s) set out in Section 2 what evidence has been provided by partners? Please specify partners</p>	<p>Tenants Monitoring Group were consulted on 7th February 2023</p>
<p>Gaps and Uncertainties Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?</p>	<p>Not for the purpose of this report</p>

**Section Four: Detailed Action Plan to address identified gaps in:
a) evidence and
b) to mitigate negative impacts**

<u>No.</u>	<u>Action</u>	<u>Responsible Officer(s)</u>	<u>Timescale</u>
1			

Note: Please add more rows as required.

Section Five - Performance monitoring and reporting

Considering the policy as a whole, including its equality and diversity implications:

When is the policy intended to come into effect?	The updated acquisition and disposal policy came into effect in June 2022
When will the policy be reviewed?	No date has been set

Which Panel will have oversight of the policy?	South Ayrshire Council
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Section 6

South Ayrshire Council

Summary Equality Impact Assessment Implications & Mitigating Actions

Name of Policy: Updated acquisition and disposal policy – June 2002 Transfer of the former St Ninians Primary school site from the General Fund to the HRA

This policy will assist or inhibit the Council’s ability to eliminate discrimination; advance equality of opportunity; and foster good relations as follows:

<p>Eliminate discrimination</p> <p>Neither assist nor inhibit.</p>
<p>Advance equality of opportunity</p> <p>Potential redevelopment will enhance equality of opportunity</p>
<p>Foster good relations</p> <p>This will continue to foster good relations by developing meaningful communication and engagement with local communities to identify their needs and views.</p>
<p>Consider Socio-Economic Disadvantage (Fairer Scotland Duty)</p> <p>This will be undertaken in any decision to proceed with redevelopment</p>

<u>Summary of Key Action to Mitigate Negative Impacts</u>	
<u>Actions</u>	<u>Timescale</u>
None	N/A

<p>Signed: Chris Cox</p> <p>Date: 20th June 2023</p>
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