

South Ayrshire Council

Report by Depute Chief Executive and Director of Housing, Operations and Development to South Ayrshire Council (Special) of 15 September 2023

Subject: Ayr Station Hotel Update

1. Purpose

- 1.1 The purpose of this report is to provide an update on matters relating to the Station Hotel in Ayr and to seek approval for the continuation of funding for the protective measures in place at the building until the end of May 2024.

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 **agrees funding of up to £664,000 from uncommitted reserves to continue the building encapsulation until the end of May 2024 pending confirmation of quantum of Scottish Government funding contributions;**
- 2.1.2 **agrees funding £80,000 from uncommitted reserves for the provision and maintenance of traffic management arrangements for the period 2018-2023;**
- 2.1.3 **notes the activity undertaken by the stakeholders and the Ayr Station Strategic Governance Group resulting in an agreement by Scottish Ministers to reinstate the Scottish Government's 50% share of the cost of encapsulation;**
- 2.1.4 **notes the progress made in appointing external experts to support the development of a programme of works for the demolition of the southern wing of the building and for securing all necessary permissions for so doing; and**
- 2.1.5 **notes the ongoing engagement with interested action groups and potential developers of the building.**

3. Background

- 3.1 At its meeting on 1 March 2023, the Council agreed to funding of £500,000 from uncommitted reserves to continue the building encapsulation until the end of September 2023. The same meeting also agreed that the Council would appoint an external expert to support the development of a programme of works for the demolition of the southern wing of the building and for securing all necessary permissions.

- 3.2 Demolition of Ayr Station Hotel involves complex technical and statutory considerations. Reflecting these complexities, the Council experienced some delay in procuring an expert suitably qualified to undertake the work of developing a programme of works for demolition. Surveys are now commencing and will be undertaken over the next 4 months. It is expected that a detailed methodology and programme of consents, costing, timescales and milestones will be complete in February 2024. It is important for Members to continue to be aware that there is currently no funding available to undertake any demolition works. Should funds become available then there are further legal steps that will require to be taken before demolition could take place, including the serving of appropriate statutory notices and completion of statutory processes.
- 3.3 The Ayr Station Strategic Governance Group, comprising officers of South Ayrshire Council, Network Rail, Scotrail and Transport Scotland, have continued to meet on a monthly basis. These meetings have been highly constructive. Transport Scotland has commissioned a development vision for a new Ayr Transportation Interchange which could replace the existing Ayr rail station and the former Ayr Station Hotel. This commissioning work is at an early stage. Scottish Ministers have also recently agreed to reinstate the Scottish Government's 50% funding of the encapsulation costs. Officers are liaising with Scottish Government to establish the timescale terms of this reinstatement and Members will be advised of the outcome of these discussions.
- 3.4 It would be beneficial for any decision to demolish the southern wing of Ayr Station Hotel to be taken within the context of a development strategy for the area. In addition, the Council at its meeting on 29th June 2023 agreed improvement works be undertaken to Burns Statue Square as part of the Ward Capital projects for the Ayr West Ward. The Council has commissioned consultants (Ironsides Farrar) to develop a potential development strategy for the town centre with a focus on this southern gateway area of the town centre. The development strategy will be helpful in the Council obtaining any potential external grant funding to undertake environmental improvements or other development works in Ayr town centre and in the southern gateway location. It is expected that the draft development strategy will be complete for reporting to the Cabinet meeting on 29th October 2024. A key recommendation of this report will be the seeking of agreement to undertake a public consultation on the draft development strategy.
- 3.5 The Council has continued to engage with local community action groups and developers on potential options to redevelop the Ayr Station Hotel. To date no new feasible use or user has been identified with sufficient capital to enable the restoration of the dangerous building.

4. Proposals

- 4.1 Members are requested to agree to continue to fund the encapsulation arrangements until the end of May 2024. Members are requested to approve a sum of up to £664,000 from uncommitted reserves for these activities pending confirmation of Scottish Government funding contributions
- 4.2 The cost of the provision and maintenance of protective traffic management measures for the encapsulation of £80,000 for the period 2018-23 requires to be met. There are no ongoing costs in this regard, a further report will be presented to members for the cost of the removal of traffic management measures in due course. Members are requested to also approve the sum of £80,000 from uncommitted reserves for these established arrangements.

- 4.3 Officers are continuing to work in partnership with the Ayr Station Hotel Strategic Governance Group to develop a shared vision for the Ayr rail station, a solution to the dangerous building and a longer term solution to the wider former Ayr Station Hotel that meets with mutually shared accessibility and placemaking objectives.
- 4.4 It is proposed that officers present a further update report to Council in February 2024 following the Council's experts presenting a detailed programme of works involved in the demolition of the southern wing of the former Ayr Station Hotel and the implications this may have for the integrity of the remainder of the former Ayr Station Hotel. The report to be presented in February 2024 will also provide legal advice on statutory powers and process and statutory notices that require to be followed under different scenarios.
- 4.5 Council will note the intention to submit a draft development strategy for Ayr town centre to cabinet on 29 October 2024.

5. Legal and Procurement Implications

- 5.1 Members will be aware that the Council has been pursuing recovery of all costs incurred so far in relation to the Station Hotel building from the absentee owner, Mr. Ung, through both British and Malaysian legal processes. A first Court of Session decree for £616,738.95 is now progressing through a court process in Malaysia to have it registered for enforcement purposes against the debtor, with a hearing fixed for 6 October. A second Court of Session decree for £707,986.46 was granted on 16 June and an extract issued for enforcement on 7 August. This will also require to be registered in Malaysia, and further instructions are anticipated from Building Standards regarding this and further sums to be pursued in respect of the ongoing encapsulation costs. Efforts continue to pursue all costs incurred by the Council.
- 5.2 Whilst the building remains in a dangerous condition, there will be ongoing costs incurred by the Council in the discharge of its statutory duties under the Building (Scotland) Act 2003.
- 5.3 There are no procurement implications immediately arising from this report.

6. Financial Implications

- 6.1 As the building remains in a dangerous state, the Council is required to meet its duty under the Building (Scotland) Act 2003. An additional sum of up to £744,000 to cover encapsulation, for a further period of 8 months, and traffic management costs is requested pending confirmation of the contribution from the Scottish Government. The contribution from Scottish Government will reduce the amount required from reserves.
- 6.2 The report to Council in February 2024 will provide an update on indicated commitment to reinstate the encapsulation costs and the financial implications for the Council arising from the confirmed financial position.

7. Human Resources Implications

7.1 There are no human resources implications.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with agreeing to the above recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 There is a risk if the above recommendations are rejected that the Council will not be in a position to fulfil its legal duties as set out in the Building (Scotland) Act 2003.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 1](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy. Should officers wish to progress the Ayr development strategy then an SEA will be part of those considerations.

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 this report contribute to Spaces and Places – moving around the environment.

13. Results of Consultation

13.1 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and the contents of this report reflect any feedback provided.

13.2 Consultation has also taken place with local Elected Members, Councillors Chris Cullen, Mary Kilpatrick and Brian McGinley, and the contents of this report reflect any feedback provided.

14/

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 Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Complete a programme detailing works, methodology, consents and timescales involved in demolition of Ayr Station Hotel southern wing	29 February 2024	Assistant Director - Planning and Development
Provide a report to Cabinet outlining a draft Ayr development strategy as the basis for public consultation	29 October 2024	Assistant Director - Communities

Background Papers **Report to South Ayrshire Council of 15 December 2022 - [Station Hotel Update](#)**

Report to South Ayrshire Council of 1 March 2023 – [Ayr Station Hotel Update](#)

Persons to Contact **Chris Cox, Assistant Director - Planning and Development
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Date: 8 September 2023

South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. See information here: [Interim Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018.

1. Policy details

Policy Title	Station Hotel Update
Lead Officer (Name/Position/Email)	Chris Cox Assistant Director – Planning and Development chris.cox@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	n/a	n/a
Disability	n/a	n/a
Gender Reassignment (Trans/Transgender Identity)	n/a	n/a
Marriage or Civil Partnership	n/a	n/a
Pregnancy and Maternity	n/a	n/a
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	n/a	n/a
Religion or Belief (including lack of belief)	n/a	n/a
Sex – gender identity (issues specific to women & men or girls & boys)	n/a	n/a

Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	n/a	n/a
Thematic Groups: Health, Human Rights & Children’s Rights	n/a	n/a

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage? (Fairer Scotland Duty). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	n/a	n/a
Low and/or no wealth – 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	n/a	n/a
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	n/a	n/a
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	n/a	n/a
Socio-economic Background – social class i.e. parent’s education, employment and income	n/a	n/a

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Medium
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Medium

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	YES NO
Rationale for decision: The proposal to continue the encapsulation of the Ayr Station Hotel building and to work with external experts to develop a programme of works for the demolition of the southern wing of the building is not considered to have either a positive or negative impact on equalities.	
Signed: Chris Cox, Assistant Director – Planning and Development Date: 21 st August 2023	