

SOUTH AYRSHIRE COUNCIL (SPECIAL).

Minutes of a hybrid webcast meeting
on 15 September 2023 at 11.00 a.m.

Present in County Buildings: Councillors Iain Campbell (Provost), Kenneth Bell, Ian Cavana, Alec Clark, Brian Connolly, Ian Davis, Julie Dettbarn, Martin Dowey, Stephen Ferry, William Grant, Peter Henderson, Hugh Hunter, Martin Kilbride, Mary Kilpatrick, Lee Lyons, Brian McGinley, Bob Pollock, Cameron Ramsay, Philip Saxton, Gavin Scott, Bob Shields, Duncan Townson and George Weir.

Present Remotely: Councillors Ian Cochrane, Chris Cullen and Craig Mackay.

Apologies: Councillors Laura Brennan-Whitefield and Mark Dixon.

Attending in County Buildings: E. Howat, Chief Executive; M. Newall, Depute Chief Executive and Director of Housing, Operations and Development; C. Caves, Head of Legal and Regulatory Services; C. Cox, Assistant Director – Planning and Development; L. Penman, Co-ordinator (Housing New Build); J. McClure, Committee Services Lead Officer; A. Gibson, Committee Services Officer; and C. McCallum, Committee Services Assistant.

1. Provost.

The Provost

- (1) welcomed everyone to the meeting;
- (2) intimated that apologies had been received from Councillors Laura Brennan-Whitefield and Mark Dixon; and
- (3) outlined the procedures for conducting this meeting and advised that this meeting would be broadcast live.

2. Sederunt and Declarations of Interest.

The Chief Executive called the Sederunt for the meeting and having called the roll, confirmed that there were no declarations of interest by Members of the Council in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

3. Scottish Government Consultation on a Fairer Council Tax

There was submitted a [report](#) (issued) of 7 September 2023 by the Head of Finance, ICT and Procurement providing details of the Scottish Government/COSLA consultation on a Fairer Council Tax, providing information relative to South Ayrshire Council's tax base and a proposed consultation response attached at [Appendix 1](#) to the report.

The Chief Executive introduced the report and advised that as this was a political consideration, that the draft consultation response had been prepared on the basis of an officer response and was examining the benefits that additional income would bring to South Ayrshire Council.

Councillor Davis, seconded by Councillor Dowey moved that Council:

- (1) note the Joint Consultation which related to an increase in the Council Tax multipliers;
- (2) consider the implications of the proposed changes to the Council Tax Multipliers for South Ayrshire; and
- (3) approve the proposed consultation response as detailed in Appendix 1 with the following amendments to consultation question responses:

1. Do you think that Council Tax in Scotland should be changed to apply increases to the tax on properties in Bands E, F, G, and H?

No

Please give reasons for your answer? **Free Text**

We acknowledge the regressive nature of Council Tax in Scotland and note the work that the Joint Working Group has undertaken in this consultation to reduce the disparities and pressures between dwellings in Band A compared to Band H. However we do not believe that the proposals go far enough to bring fairness and equity across the Council Tax Bands and believe that a fundamental review of Council Tax is required.

2. The proposal is to increase the Council Tax on properties in Bands E, F, G and H by 7.5%, 12.5%, 17.5% and 22.5% respectively. Do you agree with the levels of increase set out in this proposal?

No

3. If you have answered no to Question 2, what do you think the increases to the Council Tax on properties in Bands E, F, G and H should be?

- **Don't know**

4. When should any increases be introduced if the tax on higher band properties is increased as proposed?

- **Other (Please state) Not applicable**

Councillor Davis referred to the unfairness of the present Council Tax system with a reform of this system being required to make it fairer for all residents; that many people in larger houses were only just coping financially and that an increase in Council Tax could result in them having to downsize their house; that this could affect the housing market as those looking for a house which was Band D or E may now require to purchase a house in Band C which would in turn affect first time buyers due to the knock-on effect of people downsizing; and that any increase could also put pressure on the Council's advice services.

By way of Amendment, Councillor Townson, seconded by Councillor Philip Saxton, moved

- “(a) to accept recommendations 2.1.1 and 2.1.2; and
- (b) that recommendation 2.1.3 be amended to read “The Chief Executive is requested to write to the Scottish Government noting the impact of the Cost of Living Crisis and the continued increase in interest rates for all residents in South Ayrshire and advising that this Council does not wish to make a response to the consultation questions. Any changes to Council Tax should be following a full review of the Council Tax system”.”

Councillor Grant then requested an adjournment to consider the terms of the Motion and the Amendment.

Councillor Dowey advised that the Conservative Group would like to agree a joint Motion with the Labour Group requesting that the Chief Executive write to the Scottish Government raising the Council’s concerns regarding the Council Tax system; and that discussions would take place during the adjournment on this.

Adjournment

The time being 11.10 a.m., the Council adjourned for twenty minutes.

Resumption of Meeting

The meeting resumed at 11.30 a.m.

The Chief Executive advised that, following consultation, 2.1.3 of the Motion would now read:

2.1.3 - “requests the Chief Executive to write to the Scottish Government noting the impact of the Cost of Living crisis and the continued increases in interest rates for all residents of South Ayrshire; and approves the proposed consultation as circulated amending free text Q1 as follows:- “A full review of Council Tax is required”.”

Councillors Davis and Dowey agreed these changes to the Motion with Councillor Dowey advising that, as there had been no response from CoSLA to the Scottish Government on this matter, if no response to the consultation was submitted, South Ayrshire Council would be disregarded.

Councillor Townson then advised that the Labour Group would proceed with their original Amendment as the Labour Group believed that during the ongoing cost of living crisis, no increases should be considered at this time.

Councillor Saxton further advised that, as he believed the consultation was flawed, any response to the consultation could be misconstrued and therefore, a response should not be submitted to the consultation; and that he also wished to proceed with the Labour Group’s original Amendment.

Councillor Grant, seconded by Councillor Dettbarn, moved a Counter-Amendment that “Council is recommended to approve the recommendations in the paper”. Councillor Grant referred to the terms of the Motion and Amendment and advised that the SNP Group would be supporting the officer’s recommendations as a full review of the Council Tax system was required to be fairer for everyone.

Comments were made by Members in relation to

- (i) the review which was not in keeping with good principles of a consultation where questions should be open and inclusive and have options; the need to address the Council Tax system and make it fair for everyone in South Ayrshire; and that there should be no response to the consultation as the Council was being put in an untenable position if it responded;
- (ii) it was disappointing that a joint response could not be agreed by this Council to the consultation; that the response to number 3 of the consultation should be “No” and not “Don’t Know” as there should be no increase; that no further burdens should be placed on tax payers; and that this was a national tax being forced on local governments;
- (iii) that Councils were being made scapegoats to “take the flack” on behalf of the Scottish Government; that this was not the time to make further increases to Council Tax during a cost of living crisis; and that this consultation was a box ticking exercise which would make no difference if the Council responded or not;
- (iv) that an entire review of the Council Tax system was required and that there was a Government reform to carry this out; that the Institute for Fiscal Studies supported the current proposals as being a step in the right direction pending a full review of Council Tax; that cross-party discussions prior to the pandemic had been at a well developed stage and a commitment had been given by the Scottish Government that taking the review of Council Tax forward would be carried out by way of a Citizen’s Assembly with everyone being represented;
- (v) that, with reference to the Member’s comments at (iv) above, the Institute of Fiscal Studies had supported the current proposals as “a small step in the right direction” and had also warned that “Scottish Ministers were ducking key overhauls of the system to make it fairer”; and
- (vi) the introduction of the Council Tax system which had not changed since the valuations in 1991 and introduction in 1993; that this system was not related to income, was not a fair tax; and that a total reform of the system was required.

By way of a vote, seven Members voted for the Counter-Amendment (Cllrs Grant/Dettbarn), seven Members for the Amendment (Cllrs Townson/Saxton) and eleven Abstained. Provost then exercised his casting vote in favour of the Amendment which was accordingly carried and became the substantive Amendment.

By way of a further vote, eight Members voted for the Amendment, thirteen for the Motion and four Abstained. The Motion was accordingly declared carried

The Council, having considered the proposed consultation response contained at [Appendix 1](#) to the report; and the implications of the proposed changes to the Council Tax Multipliers for South Ayrshire,

Decided:

- (A) to note the Joint Consultation which related to an increase in the Council Tax multipliers; and
- (B) that 2.1.3 be amended to read:

“requests the Chief Executive to write to the Scottish Government noting the impact of the Cost of Living Crisis and the continued increases in interest rates for all residents of South Ayrshire; and approves the proposed consultation as follows:”:

1. **Do you think that Council Tax in Scotland should be changed to apply increases to the tax on properties in Bands E, F, G, and H?**

No

Please give reasons for your answer? **Free Text**

A full review of Council Tax is required

2. **The proposal is to increase the Council Tax on properties in Bands E, F, G and H by 7.5%, 12.5%, 17.5% and 22.5% respectively. Do you agree with the levels of increase set out in this proposal?**

No

3. **If you have answered no to Question 2, what do you think the increases to the Council Tax on properties in Bands E, F, G and H should be?**

○ Don't know

4. **When should any increases be introduced if the tax on higher band properties is increased as proposed?**

○ Other (Please state) Not applicable

5. **Should the Council Tax Reduction scheme be expanded to protect those on lower incomes from any increases to higher band properties?**

Yes

More information:

- In 2017, the Council Tax Reduction Scheme was expanded to provide relief to households affected by the changes if their income was in the lower half of incomes in Scotland.
- The expanded Council Tax Reduction Scheme relief scheme protected low-income households living in Bands E to H from the increase in their bill caused by the increase in the multipliers, and is still available.

6. **The proportion of properties in each valuation bands E - H varies across the country. This means that some Councils would benefit more than others from any increases in Council tax in these property bands. Should steps be taken to ensure that all Councils benefit proportionately from this policy?**

Yes

Please give reasons for your answer? **Free Text**

The potential yield of £176m should be retained by local government therefore it is important that any additional financial benefits resulting from increased Council Tax income from Bands E to H are not adjusted from the Core grant funding amount that is to be remitted to each Council. It is, however, recognised that some Council areas have a disproportionately higher level of band E to H dwellings compared to other Councils and that a suitable equitable methodology should be established in consultation between COSLA and the Scottish Government to identify a fair redistribution approach.

More information:

- If further changes were made to charges for property Bands E to H there would be disproportionate benefits to some Council areas where they have more Band E to H properties relative to other Councils.
- General Revenue Grant is the main source of funding for local authorities.
- The distribution of General Revenue Grant could be adjusted to ensure the benefits are shared proportionately by all Councils.
- This adjustment would mean that any changes would not disproportionately benefit, or disadvantage, any Council.

7. Please tell us how changes to Council Tax rates for properties in Bands E, F, G and H might impact you, or the people your organisation represents?**More information:**

We have undertaken initial work to assess the potential impacts of these changes for individuals and communities. We would welcome your views and comments to help us better understand these impacts.

Answer:

Please provide your views

Increasing the multiplier by 7.5% – 22.5% for Bands E to H will cause financial hardship in some low income households who own properties within these bandings.

It is recommended that a review of the Council Tax Reduction scheme be undertaken to assess the quantum of the Council Tax Reduction grant and widen the eligibility to support those who are likely to find themselves in need of financial support as a result of the changes proposed to the multiplier effect for Bands E to H.

8. Please tell us how you think changes to Council Tax rates for properties in Bands E, F, G and H would affect your local area, or Scotland as a whole (please consider social, economic, environment, community, cultural, enterprise impacts that you think are relevant)?**More information:**

We have undertaken initial work to assess the potential impacts of these changes for individuals and communities. We would welcome your views and comments to help us better understand these impacts.

Answer:

Please provide your views

As noted in the response to Question 7 consideration of eligibility criteria for access to the CTR scheme is required for low-income households who are already suffering severe financial hardship.

9. Please tell us how you think changes to Council Tax rates for properties in Bands E, F, G and H might affect Island Communities

More information:

- If further changes were made to charges for property Bands E to H there would be disproportionate benefits to some Council areas where they have more Band E to H properties relative to other Councils.
- General Revenue Grant is the main source of funding for local authorities.
- The distribution of General Revenue Grant could be adjusted to ensure the benefits are shared proportionately by all Councils.
- This adjustment would mean that any changes would not disproportionately benefit, or disadvantage, any Council.

Answer:

Please provide your views

Not applicable in South Ayrshire however as suggested in the response to Question 6 an appropriate equitable mechanism should ensure a fair redistribution to those Councils with island Communities.

10. Do you think there would be any equality, human rights, or wellbeing impacts as a result of the proposed increases in Council Tax rates for properties in Bands E, F, G and H ? Please tell us what you think these impacts would be.

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

This will be better understood at a national rather than local level.

4. Station Hotel, Ayr

There was submitted a [report](#) (issued) of 8 September 2023 by the Depute Chief Executive and Director of Housing, Operations and Development providing an update on matters relating to the Station Hotel in Ayr; and seeking approval for the continuation of funding for the protective measures in place at the building until the end of May 2024.

The Assistant Director – Planning and Development introduced the report; referred to the two surveys recently undertaken; outlined that good progress was being made by the Ayr Station Strategic Governance Group; and reiterated that the building was not owned by South Ayrshire Council.

Councillor Dowey, seconded by Councillor Lyons moved the recommendations as outlined in the report.

Questions were raised by Members in relation to:

- (1) progress with legal negotiations to obtain compensation from the owner of the Station Hotel; and the Head of Legal and Regulatory Services advised that, as the owner had no assets in the UK, there were a number of decrees against the property and an inhibition which prevented the building from being sold to a company which would put it into liquidation; that, as the owner had assets in Malaysia, a decree had been taken out there and a sequestration would be the next stage which would be heard on 6 October 2023, at which time she would update Members on the outcome; and that it was hoped that the enforcement action would prompt the owner to make payments due to the Council;
- (2) the £80,000 spent with no prior approval; and the Depute Chief Executive and Director of Housing, Operations and Development advised that the £80,000 for traffic management provision had been requested a number of years ago, however, a previous Chief Officer had chosen not to pay this, the works had been carried out and now required to be paid;
- (3) how much the external experts were costing to carry out a Work Programme, was it necessary and would the money be reclaimed; and the Depute Chief Executive and Director of Housing, Operations and Development advised that the monies had been approved at a previous meeting for the experts who were working on the methodology; and that every effort was being made to recover all costs so far and future costs;
- (4) whether the costs for demolishing the southern part of the building were necessary; and the Depute Chief Executive and Director of Housing, Operations and Development advised that the costs associated with the demolition were necessary as the Council had a statutory duty under the Building (Scotland) Act 2003 to keep the building safe; and that a number of the costs should be recoverable;
- (5) whether it was necessary to demolish the southern wing as it was currently encapsulated and therefore safe; and the Head of Legal and Regulatory Services advised that external experts had been appointed to support the development of the programme of works for the demolition of the southern wing and to secure the permissions, however, more evidence was required in relation to that to understand the impact of the programme of works and that, once that was clear, progress could be made; and that previously KC advice had been taken in relation to the Council's duty to the public and for the safety of the adjacent buildings and that the Council would comply with its duties to then proceed with demolition;

- (6) whether an update would be submitted to Members following receipt of the detailed programme of works on the demolition; and the Chief Executive advised that the Council had taken a decision based on a report that demolition was probably the most appropriate option, however, the Council was not at the stage of approving demolition of the Hotel as the monies to carry this out were not available and the Council had not gone through the necessary processes, eg serving notices, etc as this building did not belong to the Council, therefore a further report was required before proceeding to demolish the Hotel and an expert report would inform this decision. She further advised that a report would be submitted to a meeting of South Ayrshire Council in February 2024; and that the present costs were around keeping the building safe and keeping the encapsulation around the building to allow the train station to operate and to keep the public safe;
- (7) should the Station Hotel be demolished, who held the title deeds to the plot of ground; and the Head of Legal and Regulatory Services advised that that the title remained with Mr Ung, however, the Council had an inhibition and he would require to pay the Council monies owed by him that had been incurred looking after the building for him to be in a position to sell the plot of land; and
- (8) whether there would be timescales attached to the programme of works being considered at the Council meeting in February 2024; and the Depute Chief Executive and Director of Housing, Operations and Development advised that the Co-ordinator (Special Projects and PPP) was currently working on detailed plans for potential options for demolition with prescribed timescales.

The Head of Legal and Regulatory Services advised that she would provide a written briefing to members prior to the report being submitted to Council in February 2024 outlining the legalities of the Act and the Council's statutory duties.

Comments were made by Members in relation to:

- (a) the costs to the Council of keeping the Station Hotel wind and watertight and if any group had a costed plan for the Hotel, they should provide this timeously before time runs out; that the building had been abandoned and the Council was required by statute to keep it safe, however, this could not continue;
- (b) concerns regarding the monies required to demolish the southern part of the building and where these monies would be sourced from; and concerns that the other stakeholders in this matter had taken no responsibility for the Hotel;
- (c) that the people of South Ayrshire required a conclusion to this matter and required a good travel hub;
- (d) thanking the officers concerned for work undertaken on this matter; referring to the frustration felt by Members and Officers in relation to this issue; and outlining that, whilst pleased to note that an update would be submitted to Council in February 2024, it was disappointing to note that a draft development strategy for Ayr town centre would not be submitted to Cabinet until 29 October 2024; and the Depute Chief Executive and Director of Housing, Operations and Development advised that this was a typographical error and should read 31 October 2023; and that it was hoped to bring a detailed plan to Council in February 2024 outlining plans for the southern wing of the Hotel which would be in keeping with the commitment agreed by Council in December 2022 that a solution be agreed within eighteen months, subject to funding being available and approval by Council;

- (e) pride in the heritage of South Ayrshire and, whilst it had been hoped that a developer would purchase the building and preserve it, this had not happened and the Council could not continue to provide monies to make the privately owned building safe;
- (f) whether the Council would be issuing a response to the SAVE report which was flawed in a number of areas; and the Assistant Director – Planning and Development advised that the Council had taken a decision in December 2022 towards demolition which was what the Council was continuing to do; and that the Morton Partnership Report had no impact on the recommendations within the report being considered at this meeting. The Chief Executive further advised that it would be appropriate for the Council to respond to the SAVE report outlining that the report was not fully costed, that no resources had been referred to and the SAVE Group did not own the property, however, should there be an interested action group or potential developer with a costed plan, they should contact this Council, otherwise the Council would be proceeding with demolition.

Following discussion of the Chief Executive's response outlined at (f) above, the Mover and Seconded of the Motion agreed to include within their Motion that officers respond to the SAVE proposal

The Council

Decided:

- (i) to agree 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;
- (ii) to agree funding £80,000 from uncommitted reserves for the provision and maintenance of traffic management arrangements for the period 2018-2023;
- (iii) to note 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;
- (iv) to note 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
- (v) to note the ongoing engagement with interested action groups and potential developers of the building and to request officers to respond to the SAVE proposal and explain in this response the limitations of the Council's powers and seek from the interested action groups and/or potential developers a fully costed proposal for the refurbishment of the building with associated agreement from Mr Ung and which provides proposals for the funding of the scaffolding until such time as any proposed refurbishment commences.

Councillor William Grant left the meeting at this point

Adjournment

The time being 12.45 p.m., the Council adjourned for ten minutes.

Resumption of Meeting

The Council resumed at 12.55 p.m.

5. Affordable Housing- Riverside Place, Ayr

There was submitted a [report](#) (issued) of 11 September 2023 by the Depute Chief Executive and Director of Housing, Operations and Development providing an update on progress of the Affordable Housing Project at Riverside, Ayr, including the most up to date scheme, costs and programme; and seeking approval to execute the necessary documents.

The Assistant Director – Planning and Development introduced the report and advised that two of the three blocks of flats had been demolished and one remained with the telecommunications mast remaining, that the development site had been reduced to take account of the one remaining block of flats with the number of housing units, therefore reduced; that the Council was now at the final stage of entering into contract with HubSW and that specifications and costs were detailed within the report; that there was an ongoing investigation regarding the circumstances around the mast and the remaining block of flats which could not be discussed; and that a report would be submitted to Council on conclusion of the process.

Councillor Kilbride, seconded by Councillor Pollock moved the recommendations as outlined in the report.

Comments were made by a Members in relation to:

- (1) this design being the best use of the site and that seventy five social houses were much needed in South Ayrshire; and
- (2) this project being welcomed; and that it was hoped that more social housing would be erected when the third block of flats was demolished.

Questions were raised by Members in relation to:

- (a) the Scottish Government contribution of £89,819 per unit; and the Co-ordinator (Housing New Build) advised that the Scottish Government subsidies had increased;
- (b) whether there had been detailed consultation on this matter with current tenants or tenants' associations; and the Co-ordinator (Housing New Build) advised that a full consultation had been undertaken with the surrounding residents and with the Tenant Participation Group; that she had examined demand for that type of housing in the area; and that all discussions had been very positive; and
- (c) why Section 3 of the Equality Impact Assessment within the report showed no positive or negative impact on people experiencing various types of social disadvantage when this proposal would have a positive impact as it was providing much needed affordable homes; and the Assistant Director – Planning and Development advised that this was due to the stage in the process; and that the previous report would have identified a positive impact.

The Council

Decided:

- (i) having considered the outcome of the HubSW Stage 2 detailed design phase for the project, including the most up to date scheme (affordable housing), costs and programme, to approve this; and
- (ii) to delegate authority to the Head of Legal and Regulatory Services to arrange for execution of the necessary documents at Financial Close on behalf of the Council.

6. Formal Questions

The Council noted that no Formal Questions had been submitted.

7. Closing Remarks.

The Provost thanked all in attendance for their contribution.

The meeting ended at 1.00 p.m.