

South Ayrshire Council

**Report by Depute Chief Executive and Director
of Housing, Operations and Development
to Cabinet
of 28 November 2023**

**Subject: Affordable Housing – Former St Ninians Primary School,
Adamton Road North, Prestwick**

1. Purpose

- 1.1 The purpose of this report is to seek approval to proceed with the development of affordable housing at the Former St Ninians Primary School, Adamton Road North, Prestwick and to approve the proposed funding package for the development.

2. Recommendation

2.1 It is recommended that the Cabinet:

- 2.1.1 agrees to the development of the former school site at Adamton Road North, Prestwick for the development of 42 new affordable homes;**
- 2.1.2 approves the proposed funding package for the project set out in paragraph 6.3 ; and**
- 2.1.3 grants authority to award the contract to Company A to carry out the works, utilising the Scottish Procurement Alliance’s framework for Housing Construction and delegates authority to the Chief Executive to sign the contract documentation.**

3. Background

- 3.1 On 29 October 2019, Members agreed a report at Leadership Panel on an options study for the future use of the St Ninian’s Primary site once the school had 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 On 26 October 2021, approval was obtained from Leadership Panel to submit a New Project Request (NPR) to Hub South West (HubSW) to appoint a contractor and design team to develop plans for an affordable housing project for the Council at the former St Ninians Primary School, Adamton Road North Prestwick.
- 3.3 Significant work has taken place since then, including consultation with stakeholders, to shape the design, and the proposals for the site to deliver affordable housing appropriate to the needs of the area.

- 3.4 Scottish Futures Trust (SFT) alerted the Council to some concerns that exist that some Hubco's have breached their authorised thresholds for the contract works placed with them. Were this to be the case, it would raise a potential procurement issue and Councils who were nearing financial close were asked to investigate and satisfy themselves with their own Hubcos that no such issue would affect any project they intended to place through their Hubco which was close to financial close. HubSW have now confirmed to the Council that at the date of financial close of the former St Ninian's PS project they have exceeded their authorised threshold of £1 billion for contract works as advertised in their original published contract notice. Therefore in order to mitigate against the risk of a potential procurement challenge to the use of HubSW for this project and since the beginning of the development at the start of the year is time critical it has been decided that SAC utilise the Scottish Procurement Alliance Framework.
- 3.5 A report to South Ayrshire Council of 29 June 2023 was approved to allow the transfer of the Former St Ninians School Site from the General Fund to the Housing Revenue Account. Members also requested that the demolition of the school was expedited.
- 3.6 A contractor was appointed through the Scottish Procurement Alliance Framework for the demolition of the school. These works began on 8 August 2023 and will be completed by the week beginning 27 November 2023.
- 3.7 Increasing the supply of good quality affordable housing is identified as a key strategic priority in South Ayrshire's Local Housing Strategy 2023-28 and Council Plan 2023-28. The Council's Strategic Housing Investment Plan identifies St Ninians as a key site for delivering 42 affordable homes that will make a significant contribution towards meeting existing housing need in South Ayrshire.

4. Proposals

- 4.1 TCS Construction Consultants (TCS) have been appointed by the Council to negotiate a contract on the basis of a Design and Build Contract and agree a construction delivery cost for the development of the site. Negotiations have taken place utilising the Scottish Procurement Alliance Framework. The cost negotiated was for the delivery of 42 units and is based on a waiting list and demand for the housing in the area.
- 4.2 House types comprise, 14 x 2-bedroom house, 11 x 3-bedroom house, 7 x 4-bedroom house, 4 x 2-bedroom cottage flat, 4 x 3-bedroom accessible house and 2 x 2 bed wheelchair accessible bungalow ([Appendix 1](#)).
- 4.3 The total project cost for the main works provided by TCS which includes all construction related costs, development and professional fees is £9,833,051.
- 4.4 The proposed funding package for the project is detailed within paragraph 6.3.
- 4.5 Discussions have been held with the Scottish Government with regards to their contribution towards the project. They have agreed to contribute £4,451,916 (equivalent to £105,998 per unit).
- 4.6 If approved, the development site start for the new build housing units would be January 2024. Units would then be handed over for occupation starting December 2024 with the final phase handing over in May 2025.

5. Legal and Procurement Implications

- 5.1 The recommendations in this report are consistent with legal requirements in relation to building contracts and the council would enter into a Scottish Building Contract Committee (SBCC) Design and Build contract with Company A for the development of the housing units. The contract has been negotiated on behalf of South Ayrshire Council by Thomas C Stewart Construction Consultants through the Scottish Procurement Alliance Framework (Lot 4- Housing Construction) which is consistent with procurement requirements.

6. Financial Implications

- 6.1 The development is an approved identified project within the Housing Capital Programme and the Strategic Housing Investment Plan.
- 6.2 The overall cost for the main works is £9,800,051. This includes construction of the housing units, associated parking/ pavements, landscaping, utilities provisions and connections, all design/ survey/ test/ statutory fees associated with the design and construction of the units.
- 6.3 The proposed revised funding package for the project is broken down in the following table:

	Original funding package (40 units 2021)	Revised funding package (42 units 2023)
Expenditure Total	£7,200,000	£9,800,000
Income		
Borrowings (HRA)	£4,840,000	£5,348,084
SG grant	£2,360,000	£4,451,916
Income Total	£7,200,000	£9,800,000

- 6.4 The project costs have increased for several reasons, including: number of units increased from 40 to 42 and high levels of construction inflation. The level of Scottish Government Grant has increased significantly and most of the additional costs are being met by this.
- 6.5 The capital budget within the HRA Business Plan for this project was estimated at £6.6m and the borrowing costs were calculated based on that figure. The updated cost can therefore be met from the current budgeted borrowings figure.

7. Human Resources Implications

- 7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 There is a risk that an application for funding from the Scottish Government might not succeed and if so the HRA would be required to fund any shortfall.

8.2 **Risk Implications of Rejecting the Recommendations**

- 8.2.1 Not proceeding with the project may impact on the reputation of the Council by failing to increase the supply of affordable housing and make best use of available Scottish Government subsidy. This subsidy would be diverted to other Local Authorities if South Ayrshire cannot commit to delivery of sites within the SHIP.

9. **Equalities**

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are significant potential positive equality impacts and no significant negative equality impacts of agreeing the recommendations. A full Equalities Impact Assessment is provided. A copy of the Equalities Impact 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. Everyone has access to a variety of housing types and sizes and a home that is affordable, energy efficient and adaptable to changing needs.

13. **Results of Consultation**

- 13.1 Consultation has taken place with the Tenants Monitoring about the development and a Community Consultation was also carried out, and the contents of this report reflect any feedback provided.
- 13.2 Consultation has taken place with Councillor Martin Kilbride, Portfolio Holder for Buildings, Housing and Environment, and Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, 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
Arrange for the execution of the main works contract documentation	12 December 2023	Service Lead – Professional Design Services

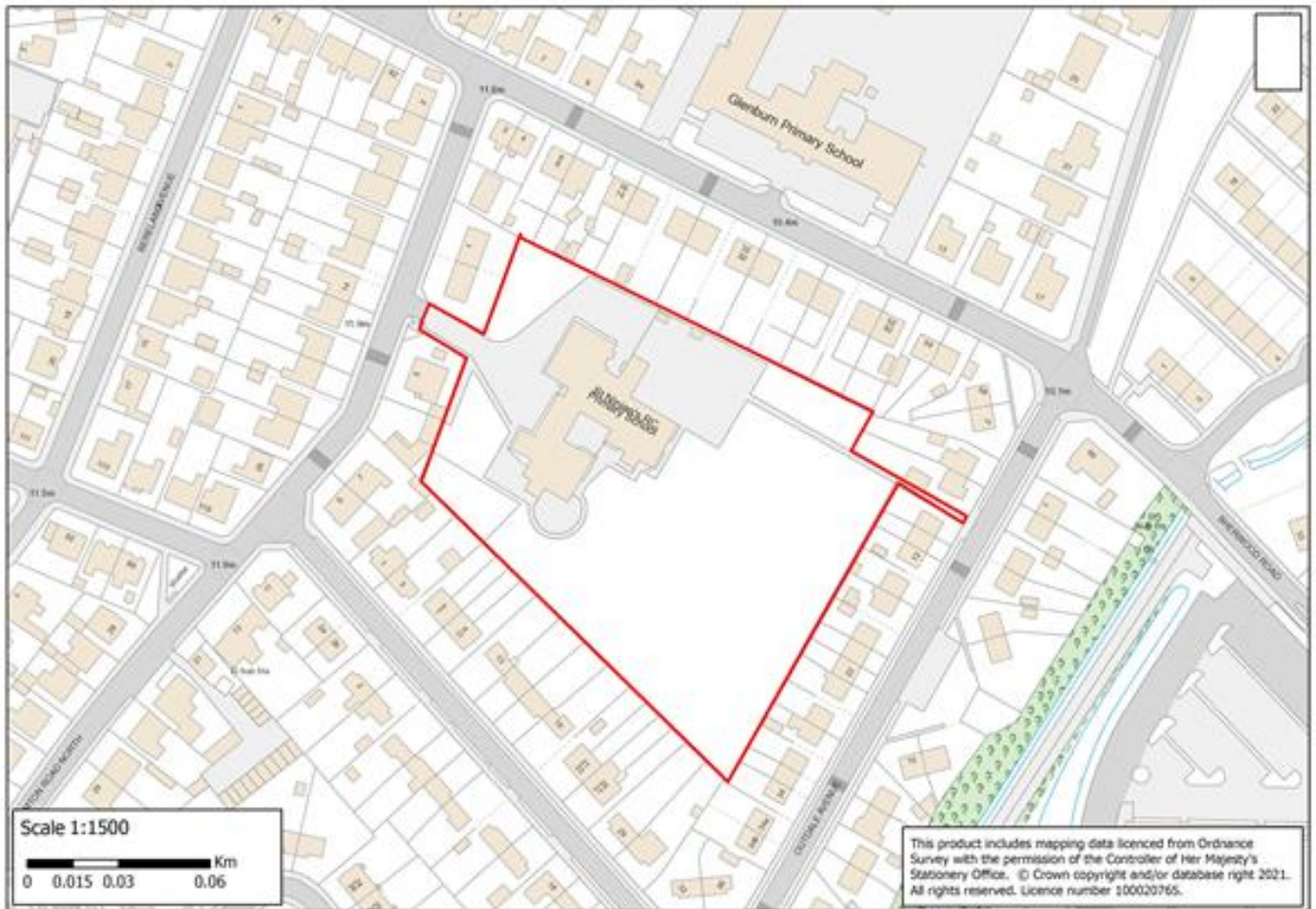
Background Papers **Report to Leadership Panel of 29 October 2019 – [Future Use of St Ninian’s Primary School Site](#)**

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

Report to South Ayrshire Council of 29 June 2023 – [Transfer of the Former St Ninians School Site from the General Fund to the Housing Revenue Account](#)

Person to Contact **Pauline Bradley, Service Lead – Professional Design Services**
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Date: 22 November 2023



South Ayrshire Council
Equality Impact Assessment including Fairer Scotland Duty

Section One: Policy Details*

Name of Policy	Development of 42 Affordable Housing units at the former St Ninians Primary school site, Adamton Road North, Prestwick.
Lead Officer (Name/Position)	Chris Cox Assistant Director – Planning and Development
Support Team (Names/Positions) including Critical Friend	Pauline Bradley Service Lead – Professional Design Services Kevin Anderson, Service Lead, Performance and Community Planning.

*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 enter into a contract through the SPA framework with a direct award to McTaggart Construction to develop 42 affordable housing units in line with the Local Housing Strategy, Housing Needs and Demand Assessment and the Strategic Housing Investment Plan.
What are the intended outcomes of the policy?	<ul style="list-style-type: none"> • Develop affordable housing on the former St Ninian's Primary school site to provide 42 affordable Council houses including 6 wheelchair accessible units; • Meet HFVN, space standards and all relevant requirements to achieve Scottish Government Subsidy; • Provide good quality homes that tenants can afford, that meets their needs and is in an area where they feel safe and connected; • Develop places that are distinctive, safe, easy to move around, welcoming, adaptable, resource efficient and impact positively on those who use them; • People with particular needs are able to live with freedom, choice and control in a home that maximises their health, wellbeing and independence; and • People across South Ayrshire live in warm, dry, energy efficient homes which they can afford to maintain.

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 development will impact upon the surrounding residents and those in South Ayrshire seeking affordable housing within the locale.
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	The development will seek to address the needs of particular groups for example disabled people or those requiring suitable accessible housing.
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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. <ul style="list-style-type: none"> • 6 wheelchair accessible units proposed for the new site. 20 units of affordable wheelchair accessible houses are required to be developed per year as provisioned within the Local Housing Strategy; • Ensuring new build units provide lifetime homes that can be easily adapted to meet changing needs.
Gender Reassignment – Trans/Transgender: Issues relating to people who have proposed, started or completed a process to change his or her sex	Positive: Potential new accommodation would be inclusive to all irrespective of a person's gender. South Ayrshire Council's Local Housing Strategy is committed to ensuring equality for all people seeking to meet their housing needs.
Marriage and Civil Partnership: Issues relating to people who are married or are in a civil partnership	Positive: The development is unlikely to have a disproportionate impact on people based on their marital status.
Pregnancy and Maternity: Issues relating to woman who are pregnant and/or on maternity leave	Positive: The development is unlikely to have a disproportionate impact on people who are pregnant or who have recently had a baby.
Race: Issues relating to people from different racial groups,(BME) ethnic minorities, including Gypsy/Travellers	Positive: The development is unlikely to have a disproportionate impact to people from different racial groups.
Religion or Belief: Issues relating to a person's religion or belief (including non-belief)	Positive: South Ayrshire Council is committed to mainstreaming equalities and ensuring sensitivity to the cultural and religious beliefs of people across South Ayrshire. The development is unlikely to have a disproportionate impact on people based on their religious belief.
Sex: Issues specific to women and men/or girls and boys	Positive: The development would have a positive impact on both men and women.

<p>Sexual Orientation: Issues relating to a person's sexual orientation i.e. LGBT+, heterosexual/straight</p>	<p>Positive: The development would be fully inclusive to all irrespective of a person's sexual orientation. With regard to sexual orientation, the Local Housing Strategy is committed to ensuring housing policies and practices act to eliminate discrimination and stigma experienced by people from all sexual orientations.</p>
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Equality and Diversity Themes Relevant to South Ayrshire Council	Positive and/or Negative Impacts
<p>Health Issues and impacts affecting people's health</p>	<p>Positive: There are clear links between housing and health. On a basic level, improvements to housing – whether public or private – are likely to have a positive impact on people's health and wellbeing.</p> <p>Furthermore, improvements to housing and neighbourhoods are likely to have a positive impact on the mental wellbeing of people.</p>
<p>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.</p>	<p>Positive: Any potential new development will require community consultation with the opportunity to comment.</p>

Socio-Economic Disadvantage	Positive and/or Negative Impacts
<p>Low Income/Income Poverty: Issues: cannot afford to maintain regular payments such as bills, food and clothing.</p>	<p>Positive: There will be a positive impact for those who have a low income or are living in income poverty.</p> <p>An example of this is the installation of energy efficiency measures which will impact positively on the cost of heating a home.</p> <p>The development links with the Council Plan which aims to reduce poverty and inequality.</p>
<p>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</p>	<p>Positive: There will be a positive impact for those with low and/or no wealth. Housing new build developments will create jobs, provide apprenticeships and other training opportunities, and provide more energy-efficient homes for those who need them.</p>
<p>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</p>	<p>Positive: There will be a positive impact for those who have a low income or are living in income poverty.</p>
<p>Area Deprivation: Issues: where you live (rural areas), where you work (accessibility of transport)</p>	<p>Positive: There will be a positive impact for those who have a low income or are living in income poverty.</p>

	Potential new accommodation may assist persons in area deprivation needing services by providing improved accommodation in a location accessible by a variety of public transport.
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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 consultation was attended by SAC Special Projects, SAC 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 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 construction period.</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 PEC 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

No.	Action	Responsible Officer(s)	Timescale
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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?	December 2023
When will the policy be reviewed?	N/A
Which Panel will have oversight of the policy?	South Ayrshire Council Cabinet ?? November 2023

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. South Ayrshire Council is committed to eliminating discrimination and stigmatisation.</p>
<p>Advance equality of opportunity</p> <p>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>The delivery of the outcomes and actions will support those who are socio-economically disadvantaged. This can be achieved by improving the quality and energy efficiency of housing and the places where people live.</p>

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

Signed: Chris Cox

Date: 18th July 2023