

**South Ayrshire Council**

**Report by Director of Housing, Operations and Development  
to Cabinet  
of 23 April 2024**

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**Subject:       Redevelopment of the Former Hourstons Building and  
Former Arran Mall, Ayr**

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**1.       Purpose**

1.1       The purpose of this report is to provide an update on further work that has been undertaken and to confirm the development option to progress for the redevelopment of the former Hourstons building, Ayr.

**2.       Recommendation**

**2.1       It is recommended that the Cabinet:**

**2.1.1       authorise officers to progress detailed designs involving the demolition of the former Hourstons Building with a façade retention, subject to statutory planning consents, to accommodate 2,600m<sup>2</sup> of new build floorspace, as indicated on Appendix 1, to be occupied by the South Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran;**

**2.1.2       notes the Conservation Appraisal, as set out in Appendix 2, supporting the heritage case for a façade retention of the Listed Building of the former Hourstons building; and**

**2.1.3       notes the ongoing work with the South Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran to define operating cost arrangements, including potential lease arrangements where appropriate. Any revenue impacts arising from the new facility will require consideration and approval by Council prior to contracts being issued to commence development.**

**3.       Background**

3.1       On 20 June 2023, the Cabinet approved feasibility work concluding that the former Arran Mall site and Hourstons site and buildings are potentially suitable to be developed as a mixed-use care centred community development.

3.2       In November 2023, the Cabinet approved the commencement of outline proposals for Hourstons to be prepared to accommodate the South Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran. At that time the preferred development option for the Hourstons building comprised a conversion of the listed

building part of the buildings and one of the extensions, and the remaining extension to be demolished as outlined in Appendix 1 as Blocks A and B.

- 3.3 On 28 February 2024, the Council, as part of the 2024/25 budget setting, approved a capital budget allocation of £20m to redevelop the Hourstons building.
- 3.4 Officers have continued to engage with the South Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran to confirm user requirements and to progress further design and engineering work to provide improved clarity on costs of redevelopment to accommodate these user needs.
- 3.5 Conservation and heritage considerations, as set out in Appendix 2, have determined that the key feature and element that makes the Hourstons building recognisable would be retained with a facade retention of the front and the main gable. As the former Hourstons building is a Grade B Listed Building, demolition and facade retention will require Listed Building Consent.
- 3.6 Further design and engineering work has concluded that the most efficient redevelopment option involves a facade retention. This is due to the large floor plates involved with the buildings. However, retaining the overall building would mean committing to refurbish and upgrade over 5800m<sup>2</sup>, which would provide for a development significantly above budget.
- 3.7 The outcome of stage 2 outline design proposals is that the cost of redevelopment to meet all of the user needs, requested by the South Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran, substantially exceeds the capital budget of £20m. However the Partnership have identified priority office and clinical user needs that can be accommodated within 2,600m<sup>2</sup> of new floorspace. Based on outline design work, it is estimated that this level of floorspace can be provided within current budget provision and would involve a facade retention, demolition of the buildings to the rear, and with a new building being developed supporting the Listed Building facade.
- 3.8 Development of 2,600m<sup>2</sup> of office and clinical floorspace provides a significant improvement of the South Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran operating estate requirements. This development is also capable of accommodating future phases of development, as an extension to the new modular style building, should further budget be identified in the future.
- 3.9 The Council completed its acquisition of the former Arran Mall in January 2024. Access to the redeveloped Hourstons building will require to be taken through the site of the former Arran Mall. The property and land forming the former Arran Mall is progressing towards demolition following the conclusion of a demolition survey, which will also advise on a methodology for demolition of the former Hourstons building and a methodology for retention of the facade. Demolition of all buildings on the former Arran Mall and Hourstons site will require demolition of the 1960s concrete building fronting on to Alloway Street. Alloway Street is within the Conservation Area and Conservation Area Consent will be required to enable the demolition of that building.
- 3.10 Options are currently being explored for the former Arran Mall site to provide a housing-based living well village that would complement the office and clinical provisions within the new building of the former Hourstons building. A funding package has not yet been identified for the redevelopment of the former Arran Mall.

## **4. Proposals**

- 4.1 It is recommended that work continue towards detailed design of a redevelopment of the former Hourstons site to involve façade retention and new build floorspace of 2,600m<sup>2</sup> to be occupied by the South Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran. NHS Ayrshire and Arran have confirmed that they are not able to make a capital contribution to the project and the capital cost of the project will require to be wholly funded by South Ayrshire Council. This development should be viewed as Phase 1 of a development package that could include extensions to the new build facility in the future and development of the wider area for a mix of supported and amenity housing.
- 4.2 The next stage of detailed design work is expected to be complete by the end of 2024. This will provide a basis upon which contractors can be procured to undertake construction work.
- 4.3 The next stage of design work will provide for accurate costings, particularly around the servicing and infrastructure costs through the former Arran Mall site, which are costs that are currently only estimated. Provided that this work concludes that development outlined within this report will be complete within budget, and the statutory consents required to enable this development are secured, then it is intended that there will be no further reports to Cabinet seeking further approvals of design options with respect to the former Hourstons building.
- 4.4 Work will continue with the South Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran to detail their internal user requirements and other servicing requirements. Work will progress on the basis of parking requirements meeting minimum requirements for a town centre site, but on the basis of providing car parking for Phase 1 plus sufficient car spaces for potential extended floorspace in subsequent phases. Confirmation on this is required to establish more accurate costs for infrastructure and servicing of the Hourstons development.
- 4.5 Work with the Partnership will also continue to confirm details regarding arrangements for operating costs of the facility and to assist the Partnership with their business case in order to secure their ongoing commitment to occupying the new property (within the former Hourstons building) from the Council. The details of appropriate lease agreements and arrangements for operating costs will require to be assessed in terms of impacts on Council revenue costs before the Council can proceed to issue contracts for development work. Once these arrangements are defined and agreed with the Partnership then this will be the subject of a business case and a report to Council. The business case will examine current and future operating costs for the Council in providing Partnership services, including savings arising from any closure of existing premises and potential capital receipts.
- 4.6 Demolition will commence following the conclusion of the demolition methodology, the securing of Listed Building Consent for façade retention and Conservation Area consent for demolition of the building fronting onto Alloway Street. The recommendations within this report, if approved, confirm the physical scope of the demolition work and enable these planning consents to be submitted for determination.

## **5. Legal and Procurement Implications**

- 5.1 Works to undertake demolition will require appropriate statutory approvals prior to proceeding. Any disposal of surplus property will require to follow Council policy for Acquisition and Disposal of Land and Buildings and be in accordance with relevant statutory requirements and guidance
- 5.2 Procurement will be managed through Professional Design Services under South Ayrshire procurement processes.

## **6. Financial Implications**

- 6.1 Demolition costs of £2m have been committed in the 2024/25 budget. Capital costs of £20m for the former Hourstons redevelopment is accommodated within the 2024/25 budget with £2.5m allocated in 2024/25, £5m 2025/26, £10.5m 2026/27 and £4m 2027/28.
- 6.2 A business case will be required to understand new revenue costs arising from provision of the new facility and any closure of existing premises.

## **7. Human Resources Implications**

- 7.1 Progressing demolition and options for redevelopment will involve officers from a range of Council services, including Building Standards, Planning, Professional Design Services, Asset Management, Finance, Legal, Housing and H&SCP. Specialised and non-specialised legal services will continue to be externally procured in progressing the recommendations forming this report and on subsequent redevelopment and construction contract work.

## **8. Risk**

### **8.1 *Risk Implications of Adopting the Recommendations***

- 8.1.1 There is a risk that statutory consents may not be secured to enable the demolition and the development proposals. There is a risk of third-party consent being required, and there is a possibility that these may not be obtained.
- 8.1.2 There is a risk that costs arising, once detailed design work is complete, particularly those related to servicing and infrastructure, could exceed capital budget provisions.
- 8.1.3 There is a risk that work progresses, including necessary cost of demolition and design related costs, and the business case arising from confirmed operating arrangements with the South Ayrshire Health and Social Partnership and NHS Ayrshire and Arran, provides for a revenue cost to the Council that is not approved by the Council. This would mean that the development could not progress.
- 8.1.4 There is the risk that, if buildings are declared surplus and disposed of, the Council could encounter difficulty in disposing of any buildings which are declared surplus and of securing best value for those properties.

## 8.2 **Risk Implications of Rejecting the Recommendations**

8.2.1 The Council has acquired the former Hourstons building and Arran Mall. These buildings/ site lie vacant and without redevelopment they form a planning and financial blight. Rates are charged after a period of ownership. However, it is not known if there will be higher rates charged on a cleared site or site with the buildings in place.

8.2.2 There may also be security/ vandalism risks with empty buildings/ property. The cost of protecting both those properties – for example, hiring security guards and erecting sufficient fencing, would have to be borne by the Council. There would in addition be insurance costs.

## 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 3.

## 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

## 11. **Options Appraisal**

11.1 An options appraisal has not been carried out on the recommended development option because the development option is the only option that can be provided within current allocated capital budget.

## 12. **Link to Council Plan**

12.1 Spaces and Places

## 13. **Results of Consultation**

13.1 No consultation has been undertaken on this report. Subsequent proposals for redevelopment will be the subject of consultation through the planning application process.

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 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
Preparation of a Business Case to provide net costing to the Council arising from provision of a new facility within the former Hourstons building	31 December 2024	Assistant Director Planning, Development and Regulation

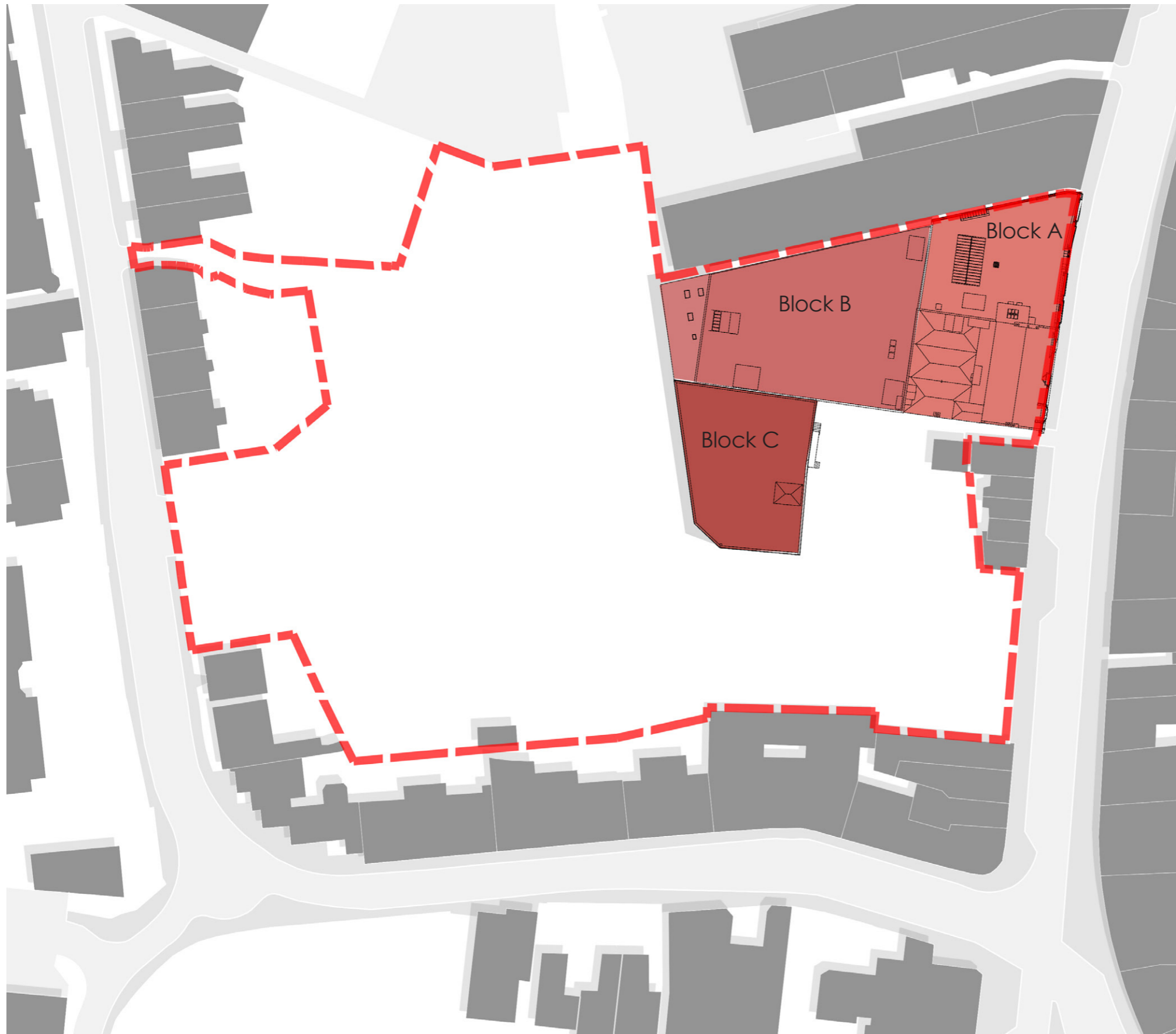
**Background Papers**    **Report to Cabinet of 20 June 2023 – [Redevelopment of Former Hourstons Building and Arran Mall, Ayr](#)**




**Report to Cabinet of 28 November 2023 – [Redevelopment of Former Hourstons Building, and Arran Mall Ayr](#)**

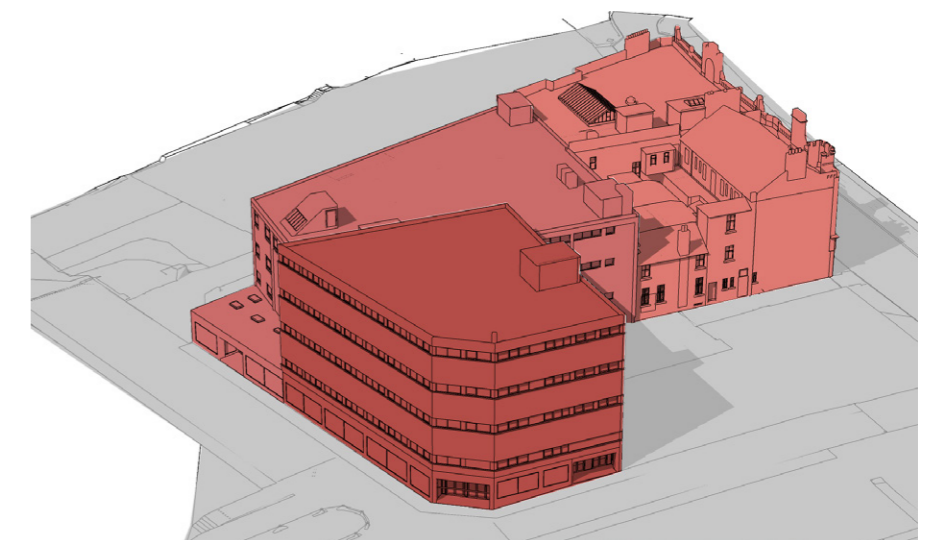
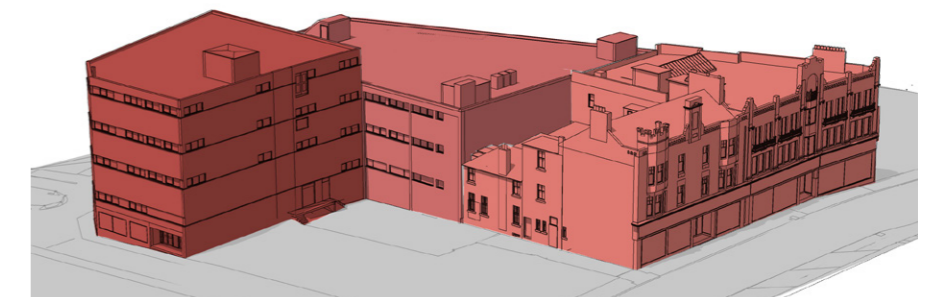
**Person to Contact**    **Chris Cox, Assistant Director Planning, Development and Regulation**  
**County Buildings, Wellington Square, Ayr, KA7 1DR**  
**Phone 01292 612981**  
**E-mail [chris.cox@south-ayrshire.gov.uk](mailto:chris.cox@south-ayrshire.gov.uk)**

**Date: 16 April 2024**

# HOURSTONS BUILDING ANALYSIS



-  Block A - early 1900s - C-listed  
approx 2500sqm
-  Block B - 3 storey 60s extension  
approx 4000sqm
-  Block C - 4 storey 60s extension  
approx 2900sqm





## HOURSTONS AND ARRAN MALL REDEVELOPMENT

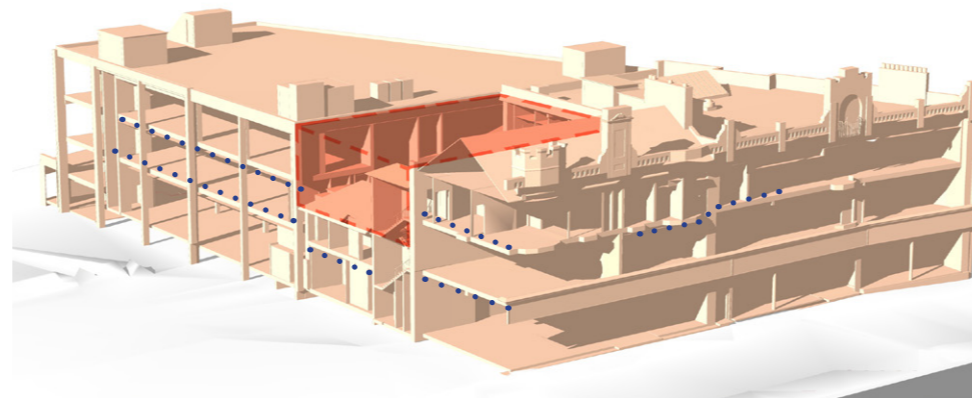
HOURSTONS FACADE RETENTION EXPLORATION







Overall form of Hourstons building - with removed Block C



Form showing internal mis-alignment, interruptions and voids

## ANALYSIS OF EXISTING BUILDING

The existing building, once 'block C' were removed to free up site area for the broader masterplan, consists of inefficient floor plates and circulation built up over time, voids and level differences to work around, and deteriorating fabric.

In terms of visual impact and streetscape contribution, only the front elevation and the return gable are generally visible from the main public domain. The smaller additions to the gable are only visible from the narrow access lane. The opposite side is completely concealed by adjacent buildings against it, and the rear elevation, would be new to close off what was the 60s extension. In terms of conservation, the key feature and element that makes the building recognisable would be retained with a facade retention of the front and the main gable.

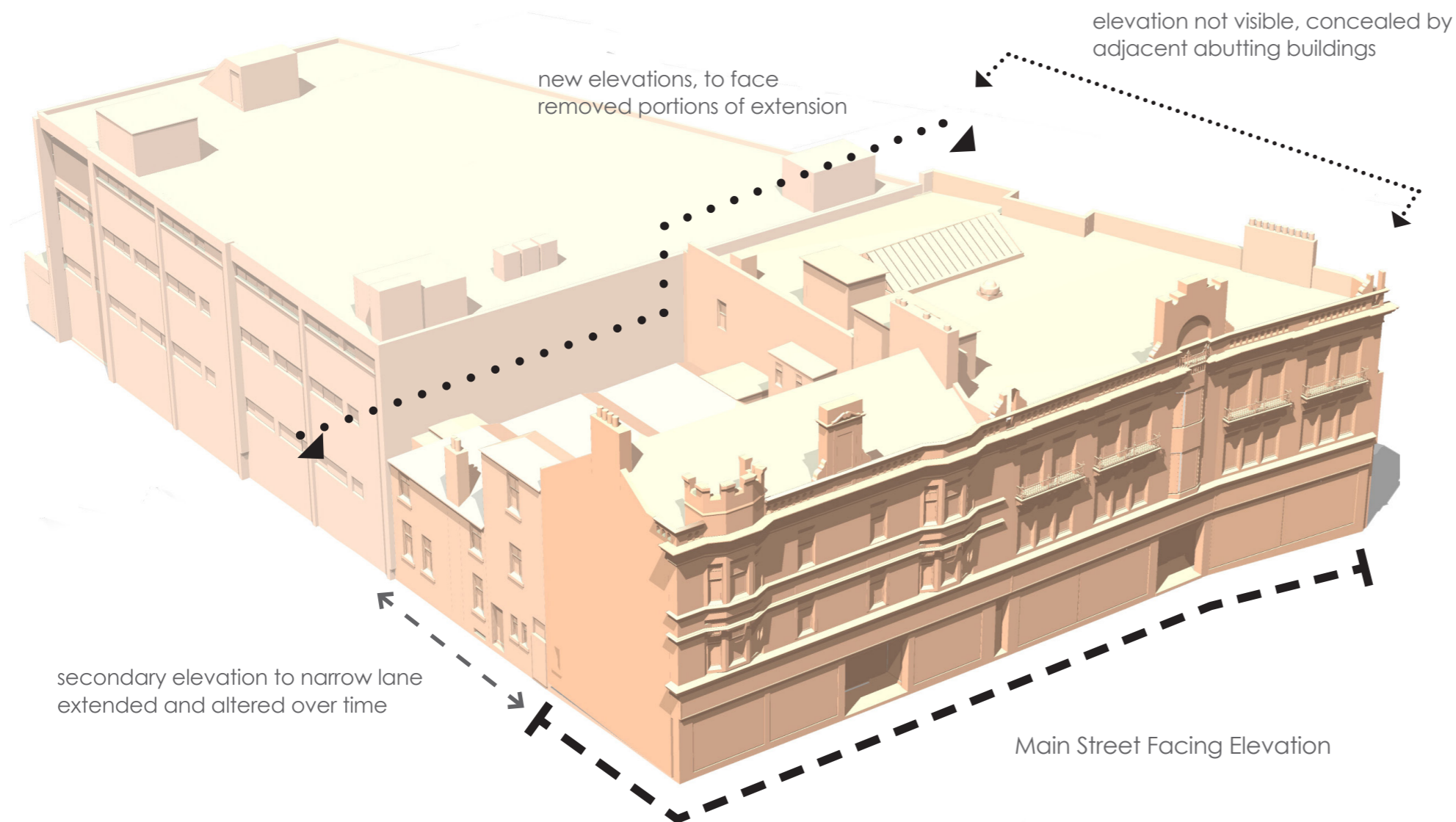


Diagram of significance of elevations

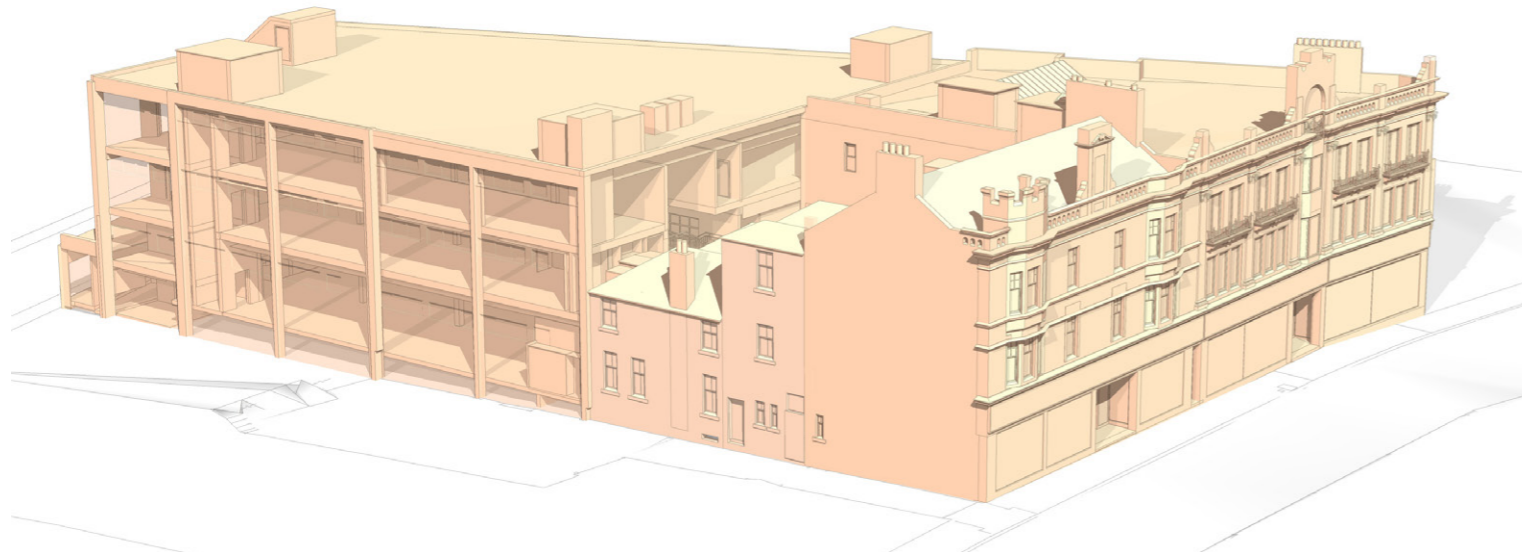


Diagram showing extent of refurbishment required - were the building to be retained

- Approximately 5820 m2 of floor space to be refurbished
- Floor plates inefficient and not easy to group by use or user team
- Existing constraints and legacy issues to consider
- Likely to require significant upgrades to structure and fabric, due to deterioration

## ANALYSIS OF BRIEF VOLUMES AND EXISTING BUILDING AREAS

The current brief looks for a phased approach, delivering initially only 2650m2 of area, and growing to potentially 4730m2 over time for the HSCP.

Retaining the overall building would mean committing to refurbish and upgrade over 5800m2 of works to existing structure and fabric, to only occupy a portion of this.

Along with working around inefficiency and level changes etc, this would also not lend itself well to future expansion or phasing.

A facade retention approach allows for much more flexible planning of the spaces to suit the user needs, with a view to future additions if required.

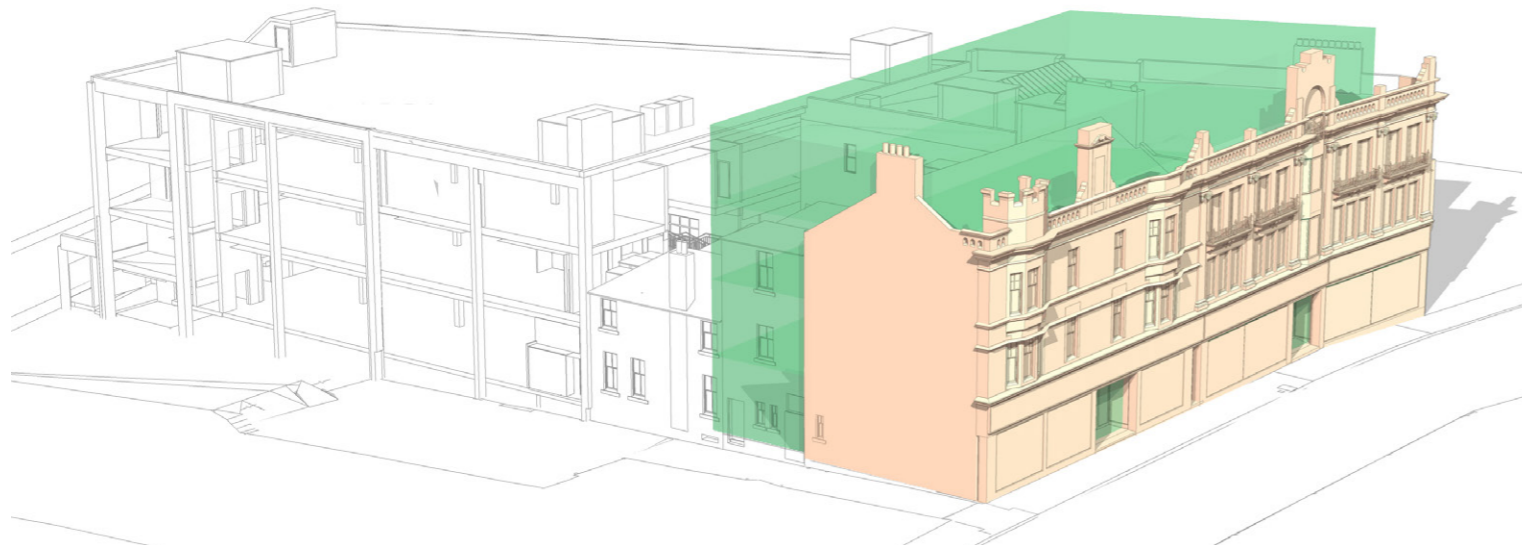


Diagram showing extent of P1 required volume, to suit the brief areas

- Allows for efficiency and bespoke layout for brief
- Allows only the extent of build required for initial phase to be undertaken
- Retains key street-facing elevations and aesthetic
- New fabric suitable to use

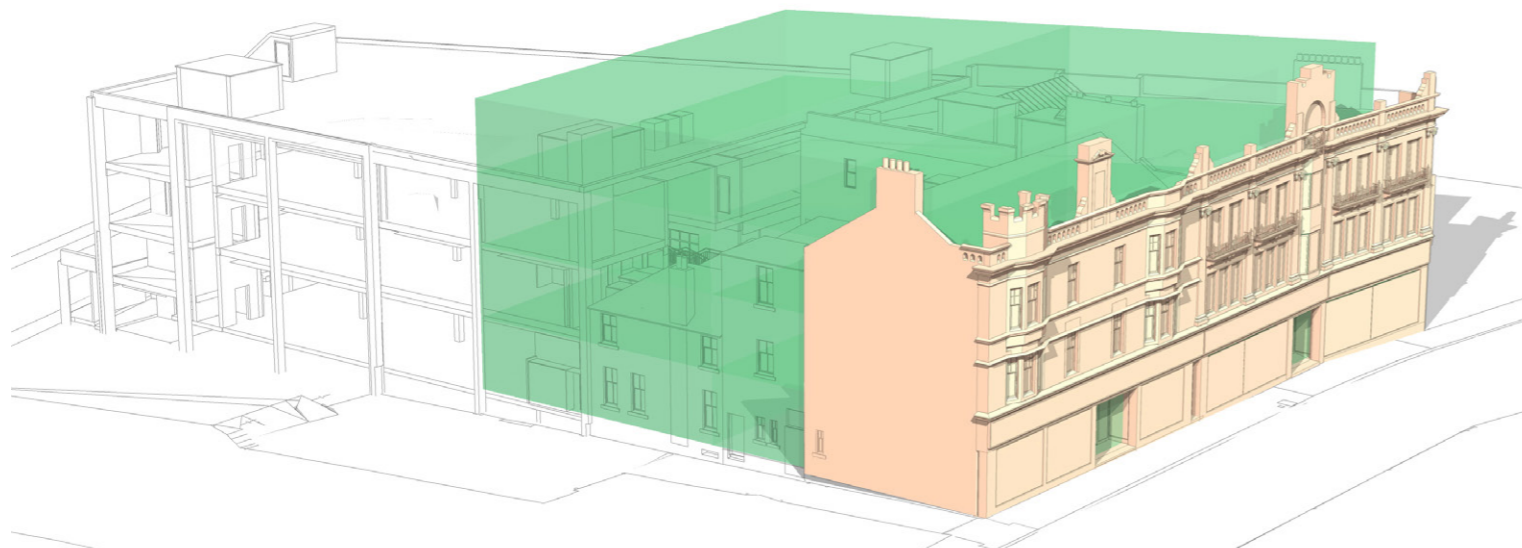


Diagram showing extent of P1-P3 required volume, to suit the brief areas with phased extension

- Allows for future phased extension to suit brief requirements
- Allows for additional building to be added



EXAMPLES OF FACADE RETENTION



**South Ayrshire Council**  
**Equality Impact Assessment including Fairer Scotland Duty**

**Section One: Policy Details\***

Name of Policy	Redevelopment of Former Arran Mall and Hourstons
Lead Officer (Name/Position)	Chris Cox Assistant Director – Planning and Development <a href="mailto:Chris.cox@south-ayrshire.gov.uk">Chris.cox@south-ayrshire.gov.uk</a>
Support Team (Names/Positions) including Critical Friend	

\*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 <b>aims</b> of the policy?  <u>What are the intended <b>outcomes</b> of the policy?</u>	The purpose is to provide an update on further work that has been undertaken and to confirm the development option to progress for the redevelopment of the former Hourstons building, Ayr.
	Authorise Officers to progress detailed designs involving the demolition of the former Hourstons building with a facade retention.

**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
<b>Age:</b> Issues relating to different age groups e.g. older people or children and young people	<b>Positive:</b> Potential new accommodation will meet increasing age related needs of the population
<b>Disability:</b> Issues relating to disabled people	<b>Positive:</b> Potential new accommodation will improve disability facilities.
<b>Gender Reassignment – Trans/Transgender:</b> Issues relating to people who have proposed, started or completed a process to change his or her sex	<b>Positive:</b> 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.

<b>Pregnancy and Maternity:</b> Issues relating to woman who are pregnant and/or on maternity leave	<b>Positive:</b> New arrangements would be fully inclusive to this group.
<b>Race:</b> Issues relating to people from different racial groups, (BME) ethnic minorities, including Gypsy/Travellers	<b>Positive:</b> New arrangements would apply equally to Individuals of all racial groups
<b>Religion or Belief:</b> Issues relating to a person's religion or belief (including non-belief)	<b>Positive:</b> New arrangements would be fully inclusive to all religions and beliefs (including non-belief).
<b>Sex:</b> Issues specific to women and men/or girls and boys	<b>Positive:</b> new arrangements would have a positive impact on both men and women.
<b>Sexual Orientation:</b> Issues relating to a person's sexual orientation i.e. LGBT+, heterosexual/straight	<b>Positive:</b> New arrangements would be fully inclusive to all irrespective of a person's sexual orientation.

<b>Equality and Diversity Themes Relevant to South Ayrshire Council</b>	<b>Positive and/or Negative Impacts</b>
<b>Health</b> Issues and impacts affecting people's health	<b>Positive:</b> Potential new accommodation will improve health service provision
<b>Human Rights:</b> 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.	<b>Positive:</b> Any potential new accommodation will require planning permission with opportunity to comment, staff affected by any relocation will be consulted.

<b>Socio-Economic Disadvantage</b>	<b>Positive and/or Negative Impacts</b>
<b>Low Income/Income Poverty:</b> Issues: cannot afford to maintain regular payments such as bills, food and clothing.	<b>Positive:</b> Potential new accommodation will directly assist persons in poverty needing services. <b>Negative:</b> Potential relocation of services may result in service users requiring to travel further for services.
<b>Low and/or no wealth:</b> 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	<b>Positive:</b> Potential new accommodation will directly assist persons of low income needing services. <b>Negative:</b> Potential relocation of services may result in service users requiring to travel further for services.
<b>Material Deprivation:</b> 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	<b>Positive:</b> Potential new accommodation will directly assist persons experiencing material deprivation needing services. <b>Negative:</b> Potential relocation of services may result in service users requiring to travel further for services.

<b>Area Deprivation:</b> Issues: where you live (rural areas), where you work (accessibility of transport)	<b>Positive:</b> 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. <b>Negative:</b> Potential relocation of services may result in service users requiring to travel further for services.
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### Section Three: Evidence Used in Developing the Policy

<b>Involvement and Consultation</b> In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation? <b>Who</b> did you involve, <b>when</b> and <b>how</b> ?	Consultation has involved South Ayrshire H&SCP 2023. None externally for the purposes of this recommendation. Any forthcoming recommendation involving service relocation will involve consultation with staff and service users.
<b>Data and Research</b> In assessing the impact set out above what evidence has been collected from research or other data. Please specify <b>what</b> research was carried out or data collected, <b>when</b> and <b>how</b> this was done.	Site visit to similar facility in Blantyre in May 2023.
<b>Partners data and research</b> In assessing the impact(s) set out in Section 2 what evidence has been provided by partners?  Please specify partners	South Ayrshire H&SCP – no direct consultation in section 2 but this will be forthcoming in an EQIA for any recommendation recommending development for H&SCP
<b>Gaps and Uncertainties</b> Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?	Not for the purpose of this report

### Section Four: Detailed Action Plan to address identified gaps in:

- a) evidence and
- b) to mitigate negative impacts

No.	Action	Responsible Officer(s)	Timescale
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?	Report to Cabinet with a Business Case to provide net costings to the Council in December 2024.
When will the policy be reviewed?	

Which Panel will have oversight of the policy?	Cabinet
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**Section 6**

**South Ayrshire Council**

**Summary Equality Impact Assessment Implications & Mitigating Actions**

**Name of Policy:** Redevelopment of Former Arran Mall and Hourstons

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

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

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



**Signed: Chris Cox**

**Date: 11 April 2024**