

South Ayrshire Council

Report by Depute Chief Executive and Director  
of Housing, Operations and Development  
to South Ayrshire Council  
of 1 March 2023

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**Subject:       Ayr Station Hotel Update**

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**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 September 2023, and for the appointment of 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 for doing so.

**2.       Recommendation**

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

**2.1.1       agrees funding of £500,000 from uncommitted reserves to continue the building encapsulation until the end of September 2023; to carry out works to future-proof the encapsulation to extend the lifetime of the protective measures; and to 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 for doing so;**

**2.1.2       notes the activity undertaken by the stakeholders and the Ayr Station Hotel Strategic Governance Group on the Atkin's Phase 2 Option Appraisal Review;**

**2.1.3       notes the ongoing engagement with interested action groups and potential developers of the building; and**

**2.1.4       requests that officers submit an update report to the Cabinet in September 2023.**

**3.       Background**

3.1       At its meeting on 15 December 2022, the Council agreed that Option 3 from the Mott McDonald structural survey report, [the demolition of the southern wing of the building](#), was the preferred way forward to allow the Council, as Building Standards Authority, to address the significant health and safety concerns relating to the condition of the building and to satisfy the requirements of Section 29 of the Building (Scotland) Act 2003.

- 3.2 [Appendix 1](#) sets out works undertaken by Council officers since the Council meeting of 15 December 2022, and confirms the number of meetings and correspondence exchanges that have taken place with individuals and groups seeking to find a solution to save the former Station Hotel building, and with strategic partners who are working towards a resolution to the public safety concerns currently present.
- 3.3 In addition to this, a Member/ Officer Working Group meeting took place on Friday 24 February 2023 where Members were brought up-to-date with all actions associated with the former Station Hotel building.

#### **4. Proposals**

- 4.1 Members are requested to agree to continue to fund the encapsulation arrangements until the end of September 2023; to agree that works are undertaken to future-proof the encapsulation to extend the lifetime of these protective measures; and to appoint an external expert to support the development of a programme of works for the demolition of the southern wing of the building and to secure all permissions to do so. Members are requested to approve a sum of £500,000 from uncommitted reserves for these activities.
- 4.2 Officers are continuing to pursue through the Ayr Station Hotel Strategic Governance Group the reinstatement of the shared funding arrangement for the encapsulation costs. The next meeting of the Strategic Governance Group will take place on Thursday 9 March 2023.
- 4.3 It is proposed that officers present a further update report to the Cabinet in September 2023.

#### **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.
- 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 as the appointment of an external expert to support the Building Standards team to prepare a programme of works for the demolition of the southern wing of the building will be through approved procurement frameworks.

#### **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. At its meeting on 15 December 2022 the Council agreed to continue to fund the encapsulation of the building until the end of March 2023.
- 6.2 The ongoing costs of the encapsulation, beyond March 2023, will require to be funded by the Council until either an alternative safety solution is implemented, or the Station Hotel site is redeveloped. Whilst the £0.500m requested funds (per para 4.1) can currently be met from uncommitted reserves, a permanent solution

requires to be identified to prevent the Council from continuing to have to fund on an ongoing basis. If a solution is not found in the near term the ongoing burden will eventually deplete the Councils uncommitted reserves below tolerable levels.

- 6.3 To date no further funding sources have been identified that will support the payment of the demolition of the southern wing of the building.

## **7. Human Resources Implications**

- 7.1 Not applicable.

## **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 that, if the above recommendations are rejected, 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 2](#).

## **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 in relation to the subject matter of this report.

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

- 12.1 The matters referred to this report contribute to Commitments 4 and 6 of the Council Plan: South Ayrshire Works, Make the most of Local Economy; and A better place to live, Enhanced environment through social, cultural and economic activities.

## **13. Results of Consultation**

- 13.1 Consultation has taken place with Councillor Martin Dowey, Leader of the Council and Portfolio Holder for Corporate and Strategic, and with local Elected Members

Councillors Chris Cullen, Mary Kilpatrick and Brian McGinley, 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:

<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
Implement any further actions as required under the Building (Scotland) Act 2003 in relation to the Station Hotel building in Ayr	30 September 2023	Service Lead - Planning and Building Standards
Appoint an external expert to support the development of a programme of works and to secure all necessary permissions to enable the demolition of the southern section of the Hotel building	30 September 2023	Assistant Director – Planning and Development
Explore alternative funding sources for the proposed demolition of the southern wing of the Hotel building	30 September 2023	Assistant Director – Planning and Development
Provide a further update to the Cabinet	26 September 2023	Assistant Director – Planning and Development

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

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**Date:** 23 February 2023

## Ayr Station Hotel – Timeline of Events

No	Date	Event
1	26.09.22	An Ayr Station Hotel Community Action Group meeting took place in Ayr Town Hall where three speakers: one an Architect; the second who was the Strathclyde Lead of the Architectural Heritage Society of Scotland; and the third who gives support to the “SAVE Britain’s Heritage” group sought to gather support from the wider Ayr community to save the Station Hotel building.
2	02.10.22	Email from a Community Action Group <sup>1</sup> regarding the press release following the Public Meeting in the Town Hall on 26 <sup>th</sup> September 2022.
3	10.10.22	Letter from SAVE Britain’s Heritage to the Leader of the Council requesting clarification about access to the interior of the building.
4	20.10.22	Internal Council meeting to discuss the ‘ATKINS Ayr Station Hotel Phase 2 Options Review’ report dated May 2021.
5	21.10.22	Internal Council meeting to discuss the need to reconvene at the earliest opportunity an Operational Working Group meeting
6	21.10.22	Email from a Community Action Group requesting access into the Station Hotel building.
7	21.10.22	Copy of an email from a member of a Community Action Group to Lord Offord of Garvel, Parliamentary Under Secretary of State for Scotland which was copied to the Leader of the Council in relation to a request for support to save the Station Hotel building.
8	24.10.22	Internal Council meeting to discuss the content of the Mott MacDonald ‘Ayr Station Hotel RIBA Stage 2 Cost Plan Revision A Issued 14/10/22’.
9	24.10.22	Internal email Council exchange setting out the legal position and legal implications associated with the recovery of sums due by the absentee owner of the Ayr Station Hotel building.
10	24.10.22	Email exchange between the Community Action Group, Elected Members and Council Officers requesting access to the interior of the building.
11	25.10.22	Internal Council meeting to discuss proposals for the way forward to seek to remove the ongoing costs incurred by the Council.
12	25.10.22	Meeting between the Depute Chief Executive and a representative from Scotrail to discuss the ongoing matters associated with the Station Hotel building.
13	28.10.22	Meeting between the Depute Chief Executive and a member of a Community Action Group regarding options that may be considered in the efforts to save the Hotel building.
14	03.11.22	Internal Council meeting to discuss ongoing costs incurred by the Council for the building encapsulation works, and to consider improved security measures following a break-in by the group known as the ‘Urban Explorers’.

<sup>1</sup> References to ‘a Community Action Group’ relate to any and all individuals and groups who have expressed an interest in saving the Station Hotel building. To date there have been more than five individuals or groups.

No	Date	Event
15	09.11.22	Email from a Community Action Group to the Depute Chief Executive to advise of the video link to the Urban Explorer's video from October 2022 that displayed the interior condition of the Station Hotel building.
16	10.11.22	Email from a Community Action Group to the Depute Chief Executive to advise that the group would be seeking political support from both Westminster and Holyrood to save the Ayr Station Hotel building.
17	10.11.22	Email from a Community Action Group to the Leader of the Council and copied to the Depute Chief Executive regarding concerns about the condition of the former Station Hotel building.
18	11.11.22	Email from the Council's Head of Legal and Regulatory Services to the Depute Chief Executive regarding the Joint Opinion of Counsel in relation to the Ayr Station Hotel building.
19	14.11.22	Meeting of the Strategic Governance Group. Actions from the meeting: <ul style="list-style-type: none"> <li>• All public bodies to submit their costs and revenue losses as a result of all ongoing actions with the Station Hotel building;</li> <li>• Request for a meeting with the Transport Minister Jenny Gilruth and the Leader of the Council to seek to restore the cost sharing agreement of the building encapsulation works;</li> <li>• Terms of Reference for the Strategic Governance Group to be drafted and agreed;</li> <li>• The Council to act as lead on all joint communication messaging;</li> <li>• The Strategic Governance Group will meet every two months, subject to diary commitments, to set the strategy and the route map on how this project will be taken forward;</li> <li>• The Station Hotel Working Group will recommence and begin the process and work up proposals for station options; and</li> <li>• The next meeting will take place in February 2023, subject to diary commitments.</li> </ul>
20	15.11.22	Email exchange from a Community Action Group to the Leader of the Council copied to the Depute Chief Executive relating to a letter from the Lord Offord of Garvel, Parliamentary Under Secretary of State for Scotland that set out the concerns associated with the lack of funding and purpose for the Ayr Station Hotel building, but the letter also highlighted that the building may benefit from retrofitting especially in the transition towards carbon neutral goals.
21	16.11.22	Email from a Community Action Group to the Depute Chief Executive requesting a meeting to discuss the Station Hotel building.
22	16.11.22	Phone call from a member of a Community Action Group requesting that the Council consider starting a Compulsory Purchase Order process to take ownership of the Hotel building. This request was not taken forward as the Council have no need for the building.
22	17.11.22	Email from the Depute Chief Executive to a Community Action Group confirming dates for a meeting.
23	17.11.22	Meeting with the Heritage at Risk Team Leader from Somerset West and Taunton Council to discuss the successes that that Council has had in saving a number of buildings at risk and dangerous buildings from demolition.

No	Date	Event
24	18.11.22	Email from a Community Action Group to the Depute Chief Executive regarding background information associated with the absentee owner of the former Station Hotel building.
25	22.11.22	Email from a prospective developer expressing an interest in the Ayr Station Hotel building to the Leader of the Council and copied into the Depute Chief Executive.
26	23.11.22	Email from the Depute Chief Executive to the prospective developer in relation to the expressed interest in the Station Hotel building. A meeting date of 25 November 2022 was agreed.
27	25.11.22	Email from the Service Lead for Economy and Regeneration advising of an email from an Ayr citizen criticising the Council's handling of matters associated with the Ayr Station Hotel building.
28	25.11.22	Meeting with a prospective developer who expressed an interest in refurbishing the Station Hotel Building. Following a detailed discussion about the condition of the building, and the estimated costs associated with bringing the building back into use, the meeting concluded with the prospective developer confirming that the project was unaffordable.
29	29.11.22	Meeting with a Community Action Group who advised that funding was being sought from a range of sources in the efforts to find a way forward to save the Hotel Building. Requests were also made to set up a Working Group to include all interested parties.
30	30.11.22	Meeting with a Community Action Group who recommended that the key to resolving the issue of the Station Hotel building was to take ownership of it. The Depute Chief Executive confirmed the Council has no interest in taking ownership of the building.
31	03.12.22	Email exchange between a Community Action Group and the Depute Chief Executive where a further request was made for the Council to take over the ownership of the Hotel building. It was confirmed again that the Council has no interest in taking ownership of the Hotel building.
32	05.12.22	Internal Council meeting to discuss the ongoing costs associated with safety works for the Station Hotel building.
33	09.12.22	Meeting with a Community Action Group where the representatives from the group advised they are in contact with the SAVE Britain's Heritage group to seek their support to save the Hotel building and also together political support also to save the Hotel building.
34	11.12.22	Email from a Community Action Group to the Depute Chief Executive enclosing a draft 'Articles of Association of Ayr Development Trust' as part of their considerations to save the Hotel building
35	15.12.22	A report was presented at the South Ayrshire Council meeting recommending that the southern wing of the Station Hotel building be demolished due to its unsafe condition. This recommendation was approved.
36	17.12.22	Email exchange between the Depute Chief Executive and a Community Action Group regarding the Council decision of 15 December 2022.
37	17.12.22	Email exchange between the Depute Chief Executive and another community Active Group in relation to the Council decision taken on 15 December 2022.

No	Date	Event
38	17.12.22	Email exchange between the Depute Chief Executive and a further Community Action Group in relation to the Council decision taken on 15 December 2022.
39	19.12.22	Email from a Community Action Group to the Depute Chief Executive setting out a proposal that the Station Hotel building could be utilised to support the aerospace industry at Prestwick airport.
40	16.01.23	Call out following extreme storm weather which resulted in damage to the encapsulation. Building Standards officers carried out an immediate inspection and instructed remedial action to repair the damage.
41	16.01.23	Meeting with a Community Action Group who requested that the Council contact a Director of Heritage Architecture who is based in Edinburgh to discuss aspirational plans he had prepared for Ayr town centre.
42	16.01.23	Email exchange between a Community Action Group and the Depute Chief Executive relating to a request for Council premises to hold public meetings about saving the Station Hotel building.
43	19.01.23	Meeting with a Community Action Group to discuss access to the interior of the Station Hotel building to undertake a structural survey. It was confirmed at the meeting that permission to access the building must first be granted by the owner and then only after appropriate risk assessments and safe working methods have been approved could access to the interior of the building be considered.
44	23.01.23	Internal Council meeting to discuss the progress of works associated with the Council decision of 15 December 2022.
45	24.01.23	Meeting with an external expert consultant in relation to the ongoing works associated with the Hotel building.
46	02.02.23	Call out to site following further damage to the building encapsulation by Building Standards officers. It was established that the damage had been caused by vandalism. Instructions were issued to the contractor to repair the damage.
47	06.02.23	Inspection by Building Standards of completed repair works to the encapsulation.
48	07.02.23	Email exchange between the Depute Chief Executive and a Community Action Group requesting access to the interior of the building to carry out survey works. Previous conditions were reiterated.
49	08.02.23	Internal Council meeting to discuss the storm damage to the encapsulation works to the building and the costs associated with the required repairs.
50	10.02.23	Meeting held with encapsulation contractor to discuss the following: <ul style="list-style-type: none"> <li>• Security – to prevent further vandalism;</li> <li>• Repair works following on from the storm damage;</li> <li>• Future-proofing works required to extend the lifetime of the encapsulation;</li> <li>• Discussions associated with the proposed demolition of the southern wing of the building and specifically the requirement for risk assessment, method statements and a project plan.</li> </ul>



No	Date	Event
51	13.02.23	Email exchange between the Depute Chief Executive and a Community Action Group which set out the desire of the Community Action Group to establish a Preservation Trust as part of the efforts to save the Hotel building from demolition.
52	14.02.23	Email exchange between the Depute Chief Executive and a Community Action Group where a request was made to access a Council premises to hold regular progress meetings by the Action Group in their efforts to save the Hotel building from demolition. Advice on how to secure a let for a Council building was shared.
53	14.02.23	The Depute Chief Executive sent out invitations to the Strategic Governance Group for the next meeting. The next meeting will take place on 9 March 2023.
54	18.02.23	Email exchange between the Depute Chief Executive and a Community Action Group which enclosed an article on how the SAVE Britain's Heritage group helped to save and reopen a hotel in Liverpool that had been closed for 90 years. The project to reopen the hotel in Liverpool was a refurbishment as there were no structural concerns associated with the building. This was not the same case in Ayr where Hotel building requires significant structural repair works completed before any form of refurbishment can be considered.
55	21.02.23	Internal Council meeting to discuss the legal implications and progress of the Court actions taken against the absentee owner of the building.
56	23.02.23	Meeting with a Community Action Group to discuss the progress of their efforts to save the Hotel building.
57	24.02.23	Meeting of the Ayr Station Hotel Member Officer Working Group to appraise Elected Members of the works undertaken to date following on from the Council decision taken on 15 December 2022.

**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)	Mike Newall Depute Chief Executive and Director of Housing, Operations and Development <a href="mailto:mike.newall@south-ayrshire.gov.uk">mike.newall@south-ayrshire.gov.uk</a>

**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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low
<b>Foster good relations</b> 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

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<b>YES</b>  <b>NO</b>
<b>Rationale for decision:</b>  <b>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.</b>	
<b>Signed:</b> Mike Newall, Depute Chief Executive and Director of Housing, Operations and Development  <b>Date:</b> 22 February 2023	