

County Buildings
Wellington Square
AYR KA7 1DR
Tel. No. 01292 612169

8 September 2023

Dear Councillor

SOUTH AYRSHIRE COUNCIL (SPECIAL)

You are requested to participate in a special meeting of South Ayrshire Council to be held **on Friday 15 September 2023 at 11.00 a.m.** for the purpose of considering the undernoted business.

This meeting will be held in the County Hall, County Buildings, Ayr on a hybrid basis for Elected Members, will be live-streamed and available to view at <https://south-ayrshire.public-i.tv/>

Yours sincerely

CATRIONA CAVES
Head of Legal and Regulatory Services

B U S I N E S S

1. Provost.
2. Sederunt and Declarations of Interest.
3. Scottish Government Consultation on a Fairer Council Tax – Submit report by Head of Finance, ICT and Procurement (copy herewith).
4. Ayr Station Hotel Update – Submit report by Depute Chief Executive and Director of Housing, Operations and Development (copy herewith).
5. Affordable Housing - Riverside Place, Ayr – Submit report by Depute Chief Executive and Director of Housing, Operations and Development (copy to follow).
6. Formal Questions

For more information on any of the items on this agenda, please telephone Janice McClure,
Committee Services on at 01292 612169, at Wellington Square, Ayr or
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www.south-ayrshire.gov.uk

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South Ayrshire Council

Report by Head of Finance, ICT and Procurement to South Ayrshire Council (Special) of 15 September 2023

Subject: Scottish Government Consultation on a Fairer Council Tax

1. Purpose

- 1.1 The purpose of this report is to provide Members with details of the Scottish Government/ COSLA consultation on a Fairer Council Tax, provide information relative to South Ayrshire Council's tax base and a proposed consultation response attached at [Appendix 1](#).

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 notes the Joint Consultation which relates to an increase in the Council Tax multipliers;
- 2.1.2 consider the implications of the proposed changes to the Council Tax Multipliers for South Ayrshire; and
- 2.1.3 considers the proposed consultation response contained at [Appendix 1](#).

3. Background

- 3.1 Each Council sets its own Council Tax level as part of their annual budget process. The amount charged for each property is calculated based on the valuation band with Band A being the lowest and Band H the highest. The bandings are based on each property's relative value assessed and assigned by the Assessor within each regional valuation board. Councils set the Band D rate with the Council Tax charge for properties in the other bands A to C and E to H being a fixed proportion, or multiple, of the Band D charge.
- 3.2 Council Tax multipliers have been an intrinsic part of the Council Tax system since its inception and they are used to enable Council Tax levels to be set at a higher level for those chargeable dwellings that have been assessed by the Valuation Board to be in higher Council Tax Bands E to H.
- 3.3 In 2017, the Scottish Government introduced a Regulation which increased the multipliers for Bands E to H by 7.5% (Band E), 12.5% (Band F), 17.5% (Band G) and 22.5% (Band H). This increase in the multiplier resulted in increases in Council

Tax for Band E to H with the Band H multiplier moving from twice the value of Band D, to 2.45 times the value of Band D.

- 3.4 The latest consultation was launched on 12 July 2023 and seeks views on a further increase to the band E to H multipliers. The consultation proposes similar percentage increases to those that were introduced in 2017. An additional circa £2.5m (net of bad debt provisions) was raised in Council tax income by the Council following the introduction of the revised multipliers in 2017. The movement in multipliers in 2017 and the proposed 2023 is detailed in the table below.

Table 1

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Pre 2017 multiplier	0.67	0.78	0.89	1	1.22	1.44	1.67	2
2017 multiplier	0.67	0.78	0.89	1	1.31 (+7.5%)	1.63 (+12.5%)	1.96 (+17.5%)	2.45 (+22.5%)
Proposed 2023 multiplier	0.67	0.78	0.89	1	1.41 (+7.5%)	1.82 (+12.5%)	2.30 (+17.5%)	3.00 (+22.5%)

- 3.5 The consultation paper explains that the changes will support moves to reduce the regressive nature of Council Tax by enabling a higher charge to be set for higher valued properties within the Council Tax Roll. The move to the revised multipliers has the potential to generate around £176m in additional Council Tax income across Scotland although it has to be noted that this will not be evenly spread across all Councils and there will be a requirement to redistribute elements of Council Tax income between Councils.
- 3.6 At this stage, the proposed change to Council Tax multipliers is not anticipated to impact on Water and Sewerage charges as a Scotland wide rate is set independently by Scottish Water. The charges generally increase each year based on a flat rate percentage set by Scottish Water and whilst there is a correlation to the Council Tax Band, there was no increased ratio for higher bands in 2017/18 when the Council Tax multipliers were previously changed. There is a water and sewerage reduction linked to entitlement to CTR, however the CTR entitlement reduces for those in bands E and above based on individual circumstances.

4. Proposals

- 4.1 Analysis of the number of chargeable dwellings within South Ayrshire indicates that there are approximately 36,200 dwellings in Bands A to D (66%) and approximately 18,500 dwellings in Bands E to H (34%). The proposed changes will have no impact on those households in Bands A to D. The table below provides details on the chargeable dwellings in South Ayrshire.

Table 2/

Table 2 South Ayrshire Chargeable Council Tax Dwellings

Band	Chargeable Dwellings	%	Summary chargeable A to D E to H	Summary % A to D E to H
A	6,637	12.1		
B	12,377	22.6		
C	8,763	16.0		
D	8,451	15.4	36,228	66.20
E	9,573	17.5		
F	5,248	9.6		
G	3,388	6.2		
H	301	0.6	18,510	33.80
Total	54,738	100.00	54,738	100.00

4.2 The Consultation proposes an increase of 7.5%, 12.5%, 17.5% and 22.5% to the Band E to H multipliers across Scotland. This would result in changes which would, for example, see Band E move from being 1.31 times the value of Band D, to 1.41 times the value of Band D as shown in the following table using current 2023/24 rates by way of an example.

Table 3 – South Ayrshire 2023-24 current Council Tax Rates

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2023-24 CT rate (£)	968.77	1,130.23	1,291.70	1,453.16	1,909.29	2,361.39	2,845.77	3,560.24
Current multiplier	0.67	0.78	0.89	1	1.31	1.63	1.96	2.45
Potential new multiplier	0.67	0.78	0.89	1	1.41	1.82	2.30	3.00
Impact if applied to 2023-24 rates (£)	968.77	1,130.23	1,291.70	1,453.16	2,048.96	2,644.75	3,342.29	4,359.48

4.3 The Consultation seeks views on when the changes should be introduced and provides three options, full implementation on 1 April 2024, a two year phased basis starting on 1 April 2024 or a three year phased basis from 1 April 2024 and also acknowledges that while the proposed changes would not fully address the regressive nature of the Council Tax, it may go some way to bring the system more in line with the Scottish Government’s fair and progressive approach to taxation.

4.4 The Consultation highlights the potential for increased Council Tax income of £176m across Scotland. As noted in 4.1 above, the majority of South Ayrshire properties (66%) are in Band A to D with around 34% of properties within Bands E to H. Current modelling indicates that if the proposals are implemented then the Council has the potential to receive additional Council tax of around £4m for Band E to H households in 2024-25.

- 4.5 It should be noted that the proposed changes would result in a need to redistribute, or pool, the additional Council Tax income generated by increasing the multipliers. This is because the level of Band E to H households varies significantly across Scotland. The consultation provides specific examples of this disparity and notes that the proposed changes will lead to Councils that have a high level of Band E to H households relative to their total households, collecting substantially more income than those Councils that have a high Band A to D demographic. Consequently, the Consultation notes the need for a distribution method to be applied to ensure equity and fairness to all Councils.
- 4.6 As part of the annual funding settlement, the local government block grant from the Scottish Government is adjusted by an amount which the Scottish Government anticipates each Council will collect from local Council Tax. This amount, the Assumed Council Tax Income, is deducted from the grant and, in order that the additional income from the change in multipliers is retained by Councils, then a change to the Assumed Council Tax Income calculation by Government will be required.
- 4.7 The Council administers a Council Tax Reduction Scheme (CTR) that enables low-income households to apply for financial support to meet the cost of their Council Tax. The assistance is provided in the form of a credit, or reduction, in their Council tax liability and the amount awarded varies dependent on the overall household income.
- 4.8 The Council receives around £8.4m annually to award CTR. In 2022-23 the Council spent £8.6m on CTR, based on the number of applications that were received, predominantly from Bands A to D households. The overspend effectively reduced the overall Council Tax income received by the Council.
- 4.9 There is a high probability that the proposed increase in the multipliers will result in an increase in CTR applications, from Band E to H households. The allocation of CTR awards made in the last financial year (2022-23) is shown at Table 3 below. The majority of CTR support is provided to Band A to D households (93.4%).

Table 4 – Analysis of CTR awarded by Band

Band	CTR awards 2022-23	%	CTR 2022-23 £m	Summary No. awards A to D E to H	Summary % A to D E to H	Summary £m A to D E to H
A	2,300	30.5	2.121			
B	2,727	36.2	2.935			
C	1,398	18.6	1.720			
D	611	8.1	0.846	7,036	93.4	7.622
E	357	4.7	0.650			
F	109	1.4	0.246			
G	32	0.5	0.086			
H	1	0	0.004	499	6.6	0.986
Total	7,535	100	8.608	7,535	100.00	8.608

- 4.10 Given the potential increase likely to arise in CTR payments if the proposals in the Consultation are implemented, it is imperative that the quantum and the eligibility of the Council Tax Reduction Scheme are reviewed by Government in order to meet the cost of the potential additional demand.
- 4.11 The Consultation response included at [Appendix 1](#) has been based on the analysis of the Council Tax base, the Council tax band demographic and the modelling of the potential changes to the multipliers on the tax base. The response included in the consultation return is that:
- (1) the changes should be implemented;
 - (2) that the same percentage uplifts to those introduced in 2017 be applied; and
 - (3) that the commencement date for the revised multipliers should be 1 April 2024 with no phased introduction.
- 4.12 In stating this position, the response was expanded to recommend that:
- (1) the additional funding raised through the changes to the multipliers should be retained by Councils without there being an adjustment to the core grant funding currently received;
 - (2) there should be an increase in the overall quantum of national Council Tax Reduction grant; and
 - (3) the eligibility criteria for the CTR scheme should be expanded to ensure that households are able to apply and receive CTR support when needed.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 The multiplier change has the potential to generate around £4m of additional Council Tax revenue for the Council. It should be stressed that the actual amount is difficult to quantify at this time given the disparity in bands E to H across Scotland, the potential increase in bad debts and the need for a distribution method to be identified, agreed and implemented.

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 the introduction of the new multiplier effects for Band E to H chargeable properties will place increased financial strain on some households in those bandings that are already under financial strain. An expansion to the Council Tax Reduction Scheme could go some way to mitigating this impact.

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

8.2.1 There is a risk that rejecting the proposals will prevent the Council from generating around £4m of additional income at a time when the financial strain being experienced by the Council is at its most severe.

9. **Equalities**

9.1 The proposals in this report have been assessed through the Equalities Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations in relation to the consultation response, and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

9.2 The Consultation proposals aim to address the regressive nature of the current system which levies a relatively higher tax rate on lower value properties, and a lower rate for higher value properties and the changes seek to deliver a fairer distribution of who pays for public services provided by Councils across Scotland.

9.3 A full impact assessment can only be undertaken at a national level once the consultation has closed and responses are analysed and it will be for Scottish Government to undertake this assessment.

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 in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

13. **Results of Consultation**

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with 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 Head of Finance, ICT and Procurement 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
Submit the agreed consultation response by the due date of 20 September 2023	20 September 2023	Head of Finance, ICT and Procurement
Monitor the outcome of the Consultation and any subsequent changes to legislation and include any Council Tax multiplier effect changes in the 2024-25 budget	31 March 2024	Head of Finance, ICT and Procurement

Background Papers **None**

Person to Contact **Tim Baulk, Head of Finance, ICT and Procurement
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612620
E-mail tim.baulk@south-ayrshire.gov.uk**

Date: **7 September 2023**

Council Tax Multipliers: Consultation



Respondent Information Form

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:

<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

South Ayrshire Council

Phone number

tbc

Address

County Buildings
Wellington Square
Ayr

Postcode

KA7 1DR

Email Address

tbc

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes
 No

About You Questions

1. About you Question 1

[For individual respondents] Please tell us which local authority area(s) you live in

Local Authority Area(s):

South Ayrshire

[For organisational respondents] Please tell us which local authority area(s) your organisation operates in

South Ayrshire

Local Authority Area(s):

2. About you Question 2

If you pay Council Tax, please indicate which Council Tax band(s) apply to the property (or properties) for which you pay Council Tax:

Band A

Band B

Band C

Band D

Band E

Band F

Band G

Band H

I don't pay Council Tax ✓

I don't know

Consultation Questions

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?

Yes

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. The proposals may go some way to bringing fairness and equity across the Council Tax Bands

More Information:

The table below presents current Council Tax charges in Scotland and shows the rate for each band as a proportion of the rates applicable to Band D properties.

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Scotland Average Council Tax Charge 2023-24	£944	£1,102	£1,259	£1,417	£1,861	£2,302	£2,774	£3,470
Council Tax charges as a proportion of the charge for a property in Band D	0.67	0.78	0.89	1.00	1.31	1.63	1.96	2.45

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?

Yes

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?

- The increases should be smaller
- The increases should be greater
- Don't know

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

- Full effect from 2024-25 ✓
- Phased-approach over two financial years (2024-25 and 2025-26)
- Phased-approach over three financial years (2024-25, 2025-26, and 2026-27)
- Other (Please state)

More information:

- Increasing Council Tax on properties in Bands E, F, G and H by 7.5%, 12.5%, 17.5% and 22.5% respectively would increase bills by around £139, £288, £485 and £781 per dwelling in these bands, based on 2023-24 Council Tax rates.
- Changes could take effect from 2024-25, or could be introduced as a phased-approach, with year-on-year increases over a number of financial years (e.g. for Band H a £260 increase in each of the next three financial years starting from 2024-25, such that the full £781 (22.5%) increase does not apply until 2027-28).

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.

**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. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Scottish Government Consultation on a Fairer Council Tax
Lead Officer (Name/Position/Email)	Tim Baulk, Head of Finance, ICT and Procurement – tim.baulk@south-ayrshire.gov.uk

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

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

Community or Groups of People	Negative Impacts	Positive impacts
Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children’s Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). 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	-	-
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	-	-
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	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

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

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

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	YES NO
Rationale for decision: The report asks Members to note the response to the Scottish Government Consultation on Council Tax multiplier effects for Band E to H. Their decision on this has no specific equality implications however a wider national assessment is required by the Scottish Government once consultation responses have been considered.	
Signed : Tim Baulk Date: 27 August 2023	Head of Service

South Ayrshire Council

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

Subject: Ayr Station Hotel Update

1. Purpose

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

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 **agrees funding of up to £664,000 from uncommitted reserves to continue the building encapsulation until the end of May 2024 pending confirmation of quantum of Scottish Government funding contributions;**
- 2.1.2 **agrees funding £80,000 from uncommitted reserves for the provision and maintenance of traffic management arrangements for the period 2019-2023;**
- 2.1.3 **notes the activity undertaken by the stakeholders and the Ayr Station Strategic Governance Group resulting in an agreement by Scottish Ministers to reinstate the Scottish Government's 50% share of the cost of encapsulation;**
- 2.1.4 **notes the progress made in appointing external experts to support the development of a programme of works for the demolition of the southern wing of the building and for securing all necessary permissions for so doing; and**
- 2.1.5 **notes the ongoing engagement with interested action groups and potential developers of the building.**

3. Background

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

demolition of the southern wing of the building and for securing all necessary permissions.

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

4. Proposals

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

members for the cost of the removal of traffic management measures in due course. Members are requested to also approve the sum of £80,000 from uncommitted reserves for these established arrangements.

4.3 Officers are continuing to work in partnership with the Ayr Station Hotel Strategic Governance Group to develop a shared vision for the Ayr rail station, a solution to the dangerous building and a longer term solution to the wider former Ayr Station Hotel that meets with mutually shared accessibility and placemaking objectives.

4.4 It is proposed that officers present a further update report to Council in February 2024 following the Council's experts presenting a detailed programme of works involved in the demolition of the southern wing of the former Ayr Station Hotel and the implications this may have for the integrity of the remainder of the former Ayr Station Hotel. The report to be presented in February 2024 will also provide legal advice on statutory powers and process and statutory notices that require to be followed under different scenarios.

4.5 Council will note the intention to submit a draft development strategy for Ayr town centre to cabinet on 29 October 2024.

5. Legal and Procurement Implications

5.1 Members will be aware that the Council has been pursuing recovery of all costs incurred so far in relation to the Station Hotel building from the absentee owner, Mr. Ung, through both British and Malaysian legal processes. A first Court of Session decree for £616,738.95 is now progressing through a court process in Malaysia to have it registered for enforcement purposes against the debtor, with a hearing fixed for 6 October. A second Court of Session decree for £707,986.46 was granted on 16 June and an extract issued for enforcement on 7 August. This will also require to be registered in Malaysia, and further instructions are anticipated from Building Standards regarding this and further sums to be pursued in respect of the ongoing encapsulation costs. Efforts continue to pursue all costs incurred by the Council.

5.2 Whilst the building remains in a dangerous condition, there will be ongoing costs incurred by the Council in the discharge of its statutory duties under the Building (Scotland) Act 2003.

5.3 There are no procurement implications immediately arising from this report.

6. Financial Implications

6.1 As the building remains in a dangerous state, the Council is required to meet its duty under the Building (Scotland) Act 2003. An additional sum of up to £744,000 to cover encapsulation, for a further period of 8 months, and traffic management costs is requested pending confirmation of the contribution from the Scottish Government. The contribution from Scottish Government will reduce the amount required from reserves.

6.2 The report to Council in February 2024 will provide an update on indicated commitment to reinstate the encapsulation costs and the financial implications for the Council arising from the confirmed financial position.

7. Human Resources Implications

7.1 There are no human resources implications.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

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

8.2 *Risk Implications of Rejecting the Recommendations*

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

9. Equalities

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

10. Sustainable Development Implications

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

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to this report contribute to Spaces and Places – moving around the environment.

13. Results of Consultation

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

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

14/

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Depute Chief Executive and Director of Housing, Operations and Development will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

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

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

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

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

South Ayrshire Council Equality Impact Assessment Scoping Template

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

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

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

1. Policy details

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

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

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

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

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

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

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

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

5. Summary Assessment

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