

South Ayrshire Council

Joint Report by Executive Director - Economy, Neighbourhood & Environment, and Executive Director – Resource, Governance and Organisation to Leadership Panel of 24th May 2016

Subject: Housing Development at Citadel Place, Ayr

1. Purpose

- 1.1 The purpose of this report is to seek Leadership Panel agreement to purchase land at Citadel Place in Ayr for development of core and cluster supported accommodation for adults with learning disabilities, and up to 5 amenity bungalows via the Council's house building contractor framework.

2. Recommendation

2.1 It is recommended that the Leadership Panel:

- 2.1.1 **Agrees that this report supersedes decisions made by the Leadership Panel on May 27th 2015 in relation to a new Council housing development at Citadel Place, Ayr.**
- 2.1.2 **Provides delegated authority to the Executive Director – Resource, Governance and Organisation to negotiate and conclude the purchase of a site at Citadel Place (Appendix 1), Ayr for the price of £0.260m, subject to obtaining planning consent.**
- 2.1.3 **Agrees to the construction of an 8 unit block of flats to be used as core and cluster supported accommodation for people with learning disabilities (7 x 1 bed flats and 1 support base), and up to 5 amenity bungalows through the Council's affordable house building contractor framework.**
- 2.1.4 **Agrees to a revised funding package for this larger development consisting of a mix of funds from the Efficiency and Improvement Fund (£0.15m), 2nd Homes Council Tax (£0.20m), HRA Borrowing (£0.876m), and Scottish Government funding (£0.684m).**

3. Background

- 3.1 Leadership Panel of 27th May 2015, (Minute link [here](#)) agreed to negotiate and enter into a contract with Waverly Tweed, a small development company, to construct and thereafter sell to the Council a 7 unit core and cluster model of supported accommodation for adults with learning disabilities on a privately owned, mixed development site at Citadel Place in Ayr. The agreed budget for this project was £0.998m. The aim of this proposal was for people with learning disabilities to be able to live independently in their own homes whilst being able to access onsite support provision as needed. This reduces the cost of providing individual care and support packages to service users throughout the Local Authority and helps to create efficiencies from Health and Social Care budgets.
- 3.2 Since this time discussions have taken place between Waverly Tweed and the Council's Housing, and Property and Risk services to agree contractual terms, method of delivery and layout. To make the overall scheme viable, the developer sought third party interest with a view to building on the remainder of the site alongside the proposed new council houses.
- 3.3 Further due diligence by officers prior to progressing with this development has indicated that the proposed construction methods would impact on the foundations of the neighbouring buildings. The costs for resolving this issue had not been accounted for within the initial budget. Ongoing discussions with Waverly Tweed did not provide the Council with sufficient comfort that they had the capacity to deliver the development within the Council's required timescales and cost and risk parameters. However the Council remains committed to development of the site given the scarcity of developable brownfield land, and its suitability for the client group in terms of location and size.
- 3.4 Following a tender process in July 2014 the Council established a 4 year framework of house building contractors to streamline the procurement process for the development of new affordable housing. This provides the Council with flexibility to appoint a contractor from the framework to progress new housing developments, without going through an individual tender process for each project. This framework ensures that there is capacity to include Citadel Place in the Council's new affordable housing programme in 2016-2017.
- 3.5 Given the established house building framework that is in place and the proven track record of these contractors for developing large scale affordable housing projects, Waverly Tweed was asked if they would consider selling the whole site to the Council for development via its own framework. This option provides the Council with control of the site and therefore, presents less risk to the Council, and greater likelihood that the project will be delivered within its required timescales.
- 3.6 A District Valuation report has been carried out for the full site at Citadel Place and the market valuation is £0.260m. Waverly Tweed has confirmed that they are willing to sell the land to the Council at this price.
- 3.7 On the 25th January 2016 the Scottish Government announced that affordable housing subsidy levels would increase following recommendations from a national Housing Supply Short Life Working Group. Subsidy increased for Council new build from £0.046m per unit to £0.057m per unit and these new levels would apply to this proposal.

4. Proposals

4.1 It is proposed that:

4.1.1 Delegated authority be awarded to the Executive Director – Resource, Governance and Organisation to negotiate and subsequently conclude purchase of the site at Citadel Place, Ayr (outlined in Appendix 1) on reasonable terms and conditions for £0.260m. Such acquisition is subject to successfully obtaining planning consent for use as a Council House new build project owned by the Housing Revenue Account. This provides greater control over development timescales in addition to future house allocations across the full site.

4.1.2 The Council's house building framework contractor is appointed to develop 7 x 1 bed flats of core and cluster supported accommodation for adults with learning disabilities with an associated support base, and now to include up to 5 x 1 bed amenity standard ground level bungalows on this site, all of which will be subject to planning consent. The amenity bungalows would be built to the same standards as our forthcoming new build projects at Elba Gardens, Kincaidston and Woodpark.

4.1.3 A revised funding package of £1.910m be made available to deliver this project. No amendments would be made to the previously agreed contributions from the Efficiency and Improvement Fund (£0.150m) or Second Homes Council Tax Discount fund (£0.200m). However, it is proposed that adjustments to the overall proposed budget be met from the increased subsidy per unit from the Scottish Government (extra £0.362m), and additional HRA borrowing (£0.548m).

4.2 The revised funding package is £0.912m above the estimated costs provided by Waverly Tweed in 2014/2015 and there are several factors that have contributed to this rise. The developer had anticipated recovering more of their land value from private sale of any houses planned to the rear of the development however, the developer could not obtain support from the bank or a third party to build out this part of the site. Furthermore, and as outlined in section 3.3, the method of construction did not take account of the potential impact on the foundations of the neighbouring properties. Finally, construction costs have risen significantly over the past 12 months due to an increase in house building across the UK. The additional costs are partially offset through increased affordable housing subsidy.

4.3 The Planning Service has commented that the principle of housing development on this site is acceptable, but has recommended that further pre-application discussion should take place once draft proposals have been developed. It is noted that the site is within a Conservation Area and that proposals will require to preserve or enhance the Conservation Area.

4.4 Focused consultation with adults with learning disabilities and their carers will also be carried out to inform the layout and design of the accommodation. Partners from third sector organisations will also be involved in the design process to ensure the homes meet customer needs. The South Ayrshire Health and Social Care Partnership will have responsibility for tendering for the provision of services to be provided from the support base.

5. Legal and Procurement Implications

- 5.1 Input from the Council's legal services will be required for the missives and conveyancing work associated with purchase of the site.
- 5.2 The recommendations in this report are consistent with procurement requirements and reflect appropriate advice.

6. Financial Implications

- 6.1 The total capital cost of the project is estimated at £1.910m (including the cost of the land, support base and tele-care equipment for the core and cluster accommodation).
- 6.2 The following table sets out the initial budget agreed in May 2015 and revised expenditure to develop the full site:

| Activity | May 2015 Budget | Revised Estimated Cost |
|--|-------------------------------|------------------------|
| Land Acquisition | £0.110 | £0.260m |
| Development of 7 x units and 1 support base and 5 amenity bungalows. | £0.770m (excluding bungalows) | £1.500m |
| Contingency and Fees | £0.118 | £0.150m |
| Total | £0.998 | £1.910m |

| Funding Source | May 2015 funding | Revised Estimated Cost |
|---|-------------------------------|------------------------|
| Scottish Government Affordable Housing Subsidy (£57,000 per home) | £0.320m (at old subsidy rate) | £0.684m |
| Efficiency and Improvement Fund | £0.150m | £0.150m |
| 2 nd Homes Council Tax | £0.200m | £0.200m |
| HRA Borrowing | £0.328m | £0.876m |
| Total | £0.998m | £1.910m |

- 6.3 The rent charge for these properties will be 25% higher than the Council's traditional housing stock in line with other Council new build developments.
- 6.4 The current uncommitted balance in the 2nd homes council tax budget is £0.460m.
- 6.5 After consideration of debt repayment, management and maintenance costs and debt provision, this proposal will generate a small surplus for the HRA Business Plan over its 30 year life. This proposal has only a marginal impact on borrowing repayments as a percentage of income and therefore, remains viable within the business plan.

6.6 This proposal will improve services provided to people with learning disabilities. Any reduction in costs generated from the core and cluster model of support will contribute to the financial savings attributed to the Health and Social Care Partnership.

7. Human Resources Implications

7.1 There are no human resource implications for the Council arising from this report. The Health and Social Care Partnership will identify an appropriate provider to offer support from the onsite base and will also have responsibility for monitoring the performance of the provider.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 New risks have been identified and assessed in line with the Council's risk management process as follows; potential for additional unforeseen constructions costs. These will be managed within existing operational activities as part of the wider mitigation of risks associated with the delivery of the South Ayrshire Affordable Housing programme.

8.1.2 The proposals will require planning permission. Pre-application advice will be sought on draft proposals before submitting any planning application.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 The risks associated with rejecting the recommendations are; failure to act on opportunities to meet the housing needs of people with particular needs, inability to achieve efficiencies in terms of the provision of care services to people with learning disabilities, and failure to maximise the use of an available site in the town centre to meet local housing need.

9. Equalities

9.1 This report provides an update on progress of a recent Leadership Panel report which was assessed for potential equality impacts and the relevant documentation is attached as Appendix 2.

10. Sustainable Development Implications

10.1 **Considering Strategic Environmental Assessment (SEA)** – The Scottish Government Gateway has been contacted regarding this plan, policy programme or strategy, and it has been determined that an SEA will not be pursued and the implications for the environment will not continue to be monitored because this development will reflect the aims of the Council's Local Housing Strategy, which was subject to a full SEA in 2011, and local Planning policy.

11. Options Appraisal

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

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to the Council strategic objectives of 'Working in partnership to maximise the potential of our Adults and Older People' and 'Working in partnership to maximise the potential of our environment'. Specifically, within those to the outcomes 'People live as independently as possible in the community and have control over their own care and support' and 'People are able to find a suitable and affordable place to stay in the community'.

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 Philip Saxton, Portfolio Holder for Housing and Customer Services and the content of this report reflects any feedback provided.
- 13.3 Consultation has taken place with Councillor Rita Miller, Portfolio Holder for Health and Social Care, and the content of this report reflects any feedback provided.
- 13.4 Consultation has taken place with Local Members and the content of this report reflects any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Head of Housing and Facilities 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> |
|---|------------------------------|--|
| Purchase of site at Citadel Place, Ayr. | 30 th August 2016 | David Burns, Head of Housing and Facilities. |

Background Papers [South Ayrshire Local Housing Strategy](#)
[South Ayrshire Adult Learning Disability Strategy 2013-2016](#)
[Leadership Panel Report of 27th May 2015](#)

Person to Contact **David Burns, Head of Housing and Facilities**
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Date: 3.5.2016

Appendix 1 – Site Map of Citadel Place





EQUALITY IMPACT ASSESSMENT

Core and Cluster Supported Accommodation for Adults with Learning Disabilities

February 2016

**SOUTH AYRSHIRE COUNCIL
EQUALITY AND DIVERSITY IMPACT ASSESSMENT**

Section One: Project Details*

| | |
|--|---|
| Name of Project | Core and Cluster |
| Lead Officer (Name/Position) | Heather Anderson Housing Policy and Strategy Manager |
| Project Development Team (Names/Positions) | Heather Anderson Housing Policy and Strategy Manager Frank McMenemy Community Care Manager |
| Critical friend (s) | John Hodge Housing Policy and Strategy Co-ordinator |

*Policy could include strategy, project or application: see guidance attached.

| | |
|--|---|
| What are the main aims of the strategy? | The aim of the project is to increase the housing options of adults with a Learning Disability (LD) in South Ayrshire by developing a Core and Cluster Supported Accommodation in line with the South Ayrshire LHS and South Ayrshire LD Strategy. |
| What are the intended outcomes of the strategy? | The intended outcomes of the project are that: An extra housing option for adults with a LD which will support the following outcomes from the South Ayrshire LD strategy: <ul style="list-style-type: none"> • People with learning disabilities experience optimum health and wellbeing • People with learning disabilities have their rights respected and do not experience discrimination, stigma or harm • People with learning disabilities are empowered to make their own life choices • Our communities are inclusive and actively supportive of people with learning disabilities • The needs of families and carers are fully met |

Section Two: What are the Likely Impacts of the Strategy?

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|--|--|
| Will the strategy impact upon the whole population of South Ayrshire or particular groups within the population (please specify) | The strategy will affect: <ul style="list-style-type: none"> • People with LD • People who care for people with LD |
|--|--|

Considering the following Protected Characteristics and themes, what likely impacts or issues does the strategy have for the group or community.

List any likely positive and/or negative impacts

| Protected Characteristics | Positive and/or Negative Impacts |
|---|---|
| Race Issues relating to people of any racial group, ethnic or national origin, including gypsy travellers | No specific impact is anticipated as access to the units within the Core and Cluster supported accommodation will be on a non-discriminatory basis |

| | |
|--|--|
| and migrant workers | as per the Council's Housing Allocation Policy. |
| Sex Issues specific to women or men | No specific impact is anticipated as access to the units within the Core and Cluster supported accommodation will be on a non-discriminatory basis as per the Council's Housing Allocation Policy. |
| Disability Issues relating to disabled people | It is anticipated the project will have a positive impact on people with learning disabilities as it increases housing options available to adults with LD. |
| Age Issues relating to a particular age group e.g. older people or children and young people | It is anticipated that this project will have a positive impact on older carers of adults with LD as it increases the housing options available to adults with LD. |
| Religion or Belief issues relating to a person's religion or belief (including non-belief) | No specific impact is anticipated as access to the units within the core and Cluster supported accommodation will be on a non-discriminatory basis as per the Council's Housing Allocation Policy. |
| Sexual Orientation Issues relating to a person's sexual orientation i.e. lesbian, gay, bi-sexual, heterosexual | No specific impact is anticipated as access to the units within the Core and Cluster supported accommodation will be on a non-discriminatory basis as per the Council's Housing Allocation Policy. |
| Marriage and Civil Partnership: Issues relating to people who are married or are in a civil partnership. | No specific impact is anticipated as access to the units within the Core and Cluster supported accommodation will be on a non-discriminatory basis as per the Council's Housing Allocation Policy. Critical friend asked if it would be possible for a couple to reside or will the facility be restricted to catering for single person households. It is anticipated that tenants will tend to be single people, however, the bedrooms will be big enough to accommodate a double or twin beds/ |
| Gender Reassignment Issues relating to people who have proposed, started or completed a process to change his or her sex. | No specific impact is anticipated as access to the units within the Core and Cluster supported accommodation will be on a non-discriminatory basis as per the Council's Housing Allocation Policy. |
| Pregnancy and Maternity Issues relating to the condition of being pregnant or expecting a baby and the period after the birth. | No specific impact is anticipated as access to the units within the Core and Cluster supported accommodation will be on a non-discriminatory basis as per the Council's Housing Allocation Policy. |
| Multiple / Cross Cutting Equality Issues Issues relating to multiple | It is anticipated that this project will have a positive impact in relation to the following cross-cutting issue: + Improved support for people with learning |

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| protected characteristics. | disabilities who have elderly or frail parents |
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| Equality and Diversity Themes Particularly Relevant to South Ayrshire Council | |
|---|---|
| <p>Health Issues and impacts affecting people's health</p> | <p>The Core and Cluster Supported Accommodation project may impact positively on health issues by improving the health and wellbeing outcomes of people with LD.</p> <p>This will be achieved through the delivery of more appropriate services and activities (e.g. social and capacity building) directly to the tenants within the Core and Cluster environment of the supported accommodation.</p> |
| <p>Human Rights: Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections.</p> | <p>The Core and Cluster Supported Accommodation project may impact positively on one Human Rights issue:</p> <ul style="list-style-type: none"> + The right to dignity and respect will be better safeguarded by the work, promoted through the strategy to reduce discrimination, stigma or harm against people with learning disabilities. |
| <p>Rurality Impacts relating to living and working in a rural community</p> | <p>No specific impacts are anticipated in relation to the Core and Cluster Supported Accommodation project and rurality.</p> |
| <p>Deprivation Issues relating to poverty and social exclusion, and the disadvantage that results from it.</p> | <p>No specific impacts are anticipated in relation to the Core and Cluster Supported Accommodation project in relation to deprivation.</p> |

Section Three: Evidence Used in Developing the Strategy

| | |
|--|---|
| <p>Involvement and Consultation In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation? Who did you involve, when and how?</p> | <ul style="list-style-type: none"> • If the project is approved consultation will take place with adults with LD and their carers, to ensure the design meets their need. • South Ayrshire CHP Learning Disability Sub-group |
| <p>Data and Research In assessing the impact set out above what evidence has been collected from research or other data. Please specify <i>what</i> research was carried out or data collected, <i>when</i> and <i>how</i> this was done.</p> | <p>The need for greater housing options for adults with LD was identified as part of the Housing Need and Demand Assessment (2010) and emphasised in the South Ayrshire Local Housing Strategy (2011 – 2016).</p> <p>A review of current relevant documents was also undertaken. These documents included:</p> <p>Keys to Life Keys to Life South Ayrshire – Adult Learning Disability Strategy 2013 – 2016</p> <p>The strategic aim of the strategy is “South Ayrshire is a place which supports people with learning disabilities to build healthy and fulfilling lives”.</p> |

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|---|--|
| | <p>This strategy highlights the need to support people to make their own decisions and to live as independently as they choose.</p> <p>In particular relation to housing, consultation revealed that there needs to be more 'forward thinking' in relation to housing. There was support for the development of supported 'stepping stone' housing models to help people towards greater independence.</p> |
| <p>Partners data and research In assessing the impact set out above what evidence has been provided by partners. Please specify partners</p> | <p>Adult and Social Services provided data on the profile of learning disability service users.</p> |
| <p>Gaps and Uncertainties Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?</p> | <p>No gaps identified in relation to this project.</p> |

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

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

| No | Action | Lead Officer(s) | Timescale |
|----|---|--|--------------------|
| 1 | Work with adults with LD to develop design of Core and Cluster unit | Housing Policy and Strategy Team and LD Social Work. | May-September 2016 |

Section Five - Performance monitoring and reporting

Considering the strategy as a whole, including its equality and diversity implications:

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|---|------------------|
| When is the projected intended to come into effect? | September 2016 |
| When will the project be reviewed? | September 2017 |
| Which Scrutiny Panel will have oversight of the strategy? | Leadership Panel |

Summary Equality Impact Assessment Implications & Mitigating Actions

Name of Strategy: South Ayrshire Adult Learning Disability Strategy

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

Eliminate discrimination

The project will help to eliminate discrimination against people with learning disabilities by increasing housing options for adults with LD.

The project will help to eliminate discrimination against carers of people with learning disabilities which can arise as a result of their caring responsibilities by increasing access to support and services.

Advance equality of opportunity

The project will help to advance equality of opportunity by increasing housing options for adults with LD.

Foster good relations

The project will help to foster more supportive relations between people with learning disabilities and the community.

Summary of Action Plan to Mitigate Negative/ Enhance Positive Impacts

| Actions | Timescale |
|---|-----------------------|
| Work with adults with LD to develop design of Core and Cluster unit | September 2016 |

Signed: David Burns Head of Service

Date: 03.05.2016