

South Ayrshire Council

**Joint Report by Depute Chief Executive and Director - People
and Director - Place
to South Ayrshire Council
of 28 June 2018**

**Subject: Revised Funding Package for 27 Affordable Homes at
the Former Whitletts Primary School, Ayr**

- 1. Purpose**
 - 1.1 The purpose of this report is to seek Council approval for the proposed revised funding package to deliver 27 affordable homes at the former Whitletts Primary School site in Ayr.
- 2. Recommendations**
 - 2.1 It is recommended that Council:
 - 2.1.1 approves the revised funding package for the project;
 - 2.1.2 notes that increased subsidy will be requested from the Scottish Government due to the complex nature of the site; and
 - 2.1.3 grants authority to award the contract to Cruden Building and Renewals Limited and delegates authority for the Director – Place to sign the contract documentation.
- 3. Background**
 - 3.1 On 22 August 2017, Leadership Panel agreed to the development of 27 new affordable homes on the site of the former Whitletts Primary School, Main Road, Ayr.
 - 3.2 The total capital cost of the project was estimated at £ [REDACTED] and funded as follows:

Funding Source	2017/18	2018/19	2019/20	Total
Scottish Government Affordable Housing Subsidy (£57,000 per unit)		£ [REDACTED]		£ [REDACTED]
2nd Homes Council Tax	£ [REDACTED]	£ [REDACTED]		£ [REDACTED]
HRA Borrowing or in year CFCR			£ [REDACTED]	£ [REDACTED]
Total	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]

4. Proposals

- 4.1 A tender offer has been received from Cruden Building and Renewals Limited to carry out this development utilising the Council's construction framework arrangement. This framework expires on 30 June 2018, so it is crucial that a suitable funding package is agreed to allow the contract to be awarded. If the contract is awarded this month then work is programmed to commence August 2018 with a completion date of July 2019. Any delay on this will result in a requirement for a new open procurement exercise having to be progressed which would push this programme back considerably.
- 4.2 Costs have increased during the design development phase due to a number of site specific abnormal requirements including:
- retaining structures throughout the site;
 - major services diversion; and
 - environmental capping.
- 4.3 There is also a requirement to fund temporary Project Co-ordinator and Clerk of Work roles to oversee the project.
- 4.4 [REDACTED]
- 4.5 The Scottish Government has indicated that additional subsidy may be awarded to affordable housing projects where abnormal costs associated with development are required. Due to the complex nature of the site, an application for additional subsidy will be submitted to the Scottish Government, however a timescale for a decision on this application is unknown.
- 4.6 To allow the project to progress prior to the expiration of the framework agreement, it is proposed that the additional funding requirement be met from additional HRA Borrowing to allow a contract to be awarded. If the submission to the Scottish Government is successful, the Housing Capital programme reporting budget would be adjusted to reflect the increased Government subsidy and the contribution from HRA Borrowing reduced..
- 4.7 A breakdown of the current project costs and the proposed funding package is contained in para 6.

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 revised cost for the project is broken down as follows:

Construction Cost	£ [REDACTED]
Surveys/ Stat Fees/ Site Acquisition	£ [REDACTED]
External Consultants	£ [REDACTED]
Temp Project Co-ord and CoW	£ [REDACTED]
Total Project Cost	£ [REDACTED]

6.2 The revised capital funding package proposed is as follows:

Funding Source	2017/18	2018/19	2019/20	2020/21	Total
Scottish Government Affordable Housing Subsidy (£57,000 per unit)		£ [REDACTED]			£ [REDACTED]
2nd Homes Council Tax	£ [REDACTED]	£ [REDACTED]			£ [REDACTED]
HRA Borrowing or in year CFCR		£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]
Total	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 Risk Implications of Adopting the Recommendations

8.1.1 Should additional subsidy not be awarded by the Scottish Government, there may be pressure at some point on future HRA borrowing capacity for new build developments.

8.2 Risk Implications of Rejecting the Recommendations

8.2.1 Failure to agree the new funding package would result in the site stalling and a delay on the delivery of affordable housing.

9. Equalities

9.1 The proposals in this report were recently equality impact assessed and as the completed Equalities Impact Assessment still applies, it is attached as Appendix 1.

10. Strategic Environmental Assessment

10.1 The Scottish Government Gateway was contacted regarding this plan during its approval process in July 2017. It has been determined that an SEA will not be pursued and the implications for the environment will not continue to be monitored.

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 the Council strategic objective of 'Reducing Poverty and Disadvantage' and within that to the outcome 'Increase the number of affordable and warm homes for those on limited income'.

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 Councillor Peter Henderson, Portfolio Holder for Resources and Performance, 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 - People and the Director - Place 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>
Contract award	29 June 2018	Service Lead – Special Property Projects
Amend the Quarterly Housing Capital Reports to reflect the revised funding package.	September 2018	Service Lead – Professional Design Services

Background Papers **Report to Leadership Panel of 22 August 2017 –**
Affordable Housing Development – The Former Whitletts
Primary School Site, Ayr

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Date: 21 June 2018



EQUALITY IMPACT ASSESSMENT

Affordable Housing Site Acquisitions

July 2017

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

Section One: Project Details*

Name of Project	Affordable Housing Site Whitletts
Lead Officer (Name/Position)	Heather Anderson Housing Policy and Strategy Manager
Project Development Team (Names/Positions)	Heather Anderson Housing Policy and Strategy Manager Laura Penman Housing Development Co-ordinator
Critical friend (s)	Chris Carroll (Housing 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 number of affordable homes in South Ayrshire to address housing demand.
What are the intended outcomes of the strategy?	The intended outcomes of the project are that <ul style="list-style-type: none"> • People will have more access to affordable housing in South Ayrshire in order to address housing need.

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

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 in housing need
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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 and migrant workers	No specific impact is anticipated as access to affordable housing will be based on housing need with no relevance to people's race.
Sex Issues specific to women or men	No specific impact is anticipated as access to affordable housing will be based on housing need with no relevance to people's sex.
Disability Issues relating to disabled people	It is anticipated that the project will have a positive impact on people with disabilities who are in housing need as the development will give regard to provision of amenity and ground level accommodation.
Age Issues relating to a particular age group e.g. older people or children and young people	No specific impact is anticipated as access to affordable housing will be based on housing need.

<p>Religion or Belief issues relating to a person's religion or belief (including non-belief)</p>	<p>No specific impact is anticipated as access to affordable housing will be based on housing need with no relevance to people's religion or beliefs.</p>
<p>Sexual Orientation Issues relating to a person's sexual orientation i.e. lesbian, gay, bi-sexual, heterosexual</p>	<p>No specific impact is anticipated as access to the affordable housing will be based on housing need with no relevance to people's sexual orientation.</p>
<p>Marriage and Civil Partnership: Issues relating to people who are married or are in a civil partnership.</p>	<p>No specific impact is anticipated as access to affordable housing will be based on housing need with no relevance to people's marital or civil partnership status.</p>
<p>Gender Reassignment Issues relating to people, who have proposed, started or completed a process to change his or her sex.</p>	<p>No specific impact is anticipated as access to affordable housing will be based on housing need with no relevance to people's gender.</p>
<p>Pregnancy and Maternity Issues relating to the condition of being pregnant or expecting a baby and the period after the birth.</p>	<p>No specific impact is anticipated as affordable housing will be allocated on the basis of housing need with no relevance as to whether an applicant is pregnant or not.</p>
<p>Multiple / Cross Cutting Equality Issues Issues relating to multiple protected characteristics.</p>	<p>It is anticipated that this project will have a positive impact in relation to the following cross-cutting issue.</p> <ul style="list-style-type: none"> + Improved affordable housing options for people in housing need and those with disabilities, mobility issues and older people.

Equality and Diversity Themes Particularly Relevant to South Ayrshire Council

<p>Health Issues and impacts affecting people's health</p>	<p>Affordable housing may also impact positively on health of people in housing need and those with disability and mobility issues.</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 development may impact positively on human rights issues of people in housing need and those with mobility issues and disabilities by increasing the potential to access affordable housing.</p>
<p>Rurality Impacts relating to living and working in a rural community</p>	<p>No specific impacts are anticipated in relation to this site development in terms of rurality.</p>
<p>Deprivation Issues relating to poverty and social exclusion, and the disadvantage that results from it.</p>	<p>Site development may impact positively on issues relating to poverty by increasing the availability of affordable housing for rent.</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"> • South Ayrshire Housing Need and Demand Assessment and Local Housing Strategy focus and steering group. • Local Housing Strategy community consultation events where a variety of information and discussion sessions were carried out throughout the community.
<p>Data and Research In assessing the impact set out above what evidence has been collected from research or other data. Please specify what research was carried out or data collected, when and how this was done.</p>	<p>The need for more affordable housing is clearly demonstrated through the Council's Housing Need and Demand Assessment (2015) and in the South Ayrshire Local Housing Strategy (2011-2016) and (2017- 2022 Final Consultative Draft).</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>Housing Market information and income information provided by the Scottish Government to support the development of the South Ayrshire Housing Need and Demand Assessment</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

Section Five - Performance monitoring and reporting

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

When is the project intended to come into effect?	31 st September 2017
When will the project be reviewed?	31st January 2018
Which Scrutiny Panel will have oversight of the strategy?	Leadership Panel

Section 6

South Ayrshire Council

Summary Equality Impact Assessment Implications and 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:

<p>Eliminate discrimination Site development will help to eliminate discrimination against people in housing need by increasing the availability of suitable and affordable housing including accommodation suitable for people with disabilities.</p>
<p>Advance equality of opportunity The project will also help to advance equality of opportunity by increasing housing options for local people in housing need.</p>
<p>Foster good relations The project will help to foster more supportive relations between the Council and local people in housing need.</p>

Summary of Action Plan to Mitigate Negative/ Enhance Positive Impacts	
Actions	Timescale
	January 2018
<p>Signed: David Burns Head of Service Date: 20.07.2017</p>	