

South Ayrshire Council

**Report by Director - Place
to Leadership Panel
of 26 November 2019**

Subject: Development of Land at Ladyland Road, Maybole

1. Purpose

- 1.1 The purpose of this report is to seek approval to proceed with the development of affordable housing at Ladyland Road, Maybole and to approve the proposed funding package for the development.

2. Recommendation

2.1 It is recommended that the Panel:

- 2.1.1 agrees to the development of the vacant site at Ladyland Road, Maybole for the development of 14 new affordable homes;**
- 2.1.2 approves the proposed funding package for the project;**
- 2.1.3 grants authority to award the contract to Company A to carry out the works, utilising the Scottish Procurement Alliance’s framework for Housing Construction and delegates authority for the Director – Place to sign the contract documentation; and**
- 2.1.4 agrees to appoint a Temporary Consultant Clerk of Works to oversee the construction phase of the project;**

3. Background

- 3.1 The Ladyland Road site was approved for transfer from the General Services account to the Housing Revenue Account by the Leadership Panel of 17 January 2017 for a value of £0.100m for the purposes of affordable housing development.
- 3.2 The land extends to approximately, 0.436 Ha (1.08 acres) and is shown on the location plan provided in [Appendix 1](#). There are 2 dilapidated stone buildings on the site which have been vacant and unused for many years. The site was previously used a school, community facilities and latterly was used as a council yard.
- 3.3 In June 2018, the Scottish Government confirmed allocation of £11.883m to South Ayrshire for 2019/20 to support new affordable housing delivery by the Council

and Registered Social Landlords (RSLs). Funding levels for 2020/21 will be £12.678m with subsidy levels set at £59,000 per unit providing certain construction criteria is met as is the case in this development.

- 3.4 On 27 November 2018 the Leadership Panel approved the content of the Strategic Housing Investment Plan (SHIP) 2019/20 to 2023/24, which identified the Ladyland Road, Maybole site as suitable for a development of new build housing to be developed by South Ayrshire Council.

4. Proposals

- 4.1 TCS Construction Consultants (TCS) have been appointed by the Council to negotiate a contract on the basis of a Design and Build Contract and agree a construction delivery cost for the development of the site. Negotiations have taken place utilising the Scottish Procurement Alliance Framework. The cost negotiated was for the delivery of 14 units and is based on a waiting list and demand for the housing in the area:

| <i>House Size</i> | <i>House Type</i> | <i>Total Number of Homes</i> |
|-------------------|-------------------|------------------------------|
| 1 bedroom | Bungalow | 4 |
| 2 bedroom | House | 2 |
| 1 bedroom | Cottage Flats | 8 |
| Total | | 14 |

- 4.2 Company A were appointed through the Scottish Procurement Alliance Framework and development proposals were prepared and discussed with Planning Services and Ayrshire Roads Alliance to establish their views and design principles for the site. It was agreed that the development would constitute 'Permitted Development' and would be progressed in accordance with the Council's protocol for Council Housing Sites. Development proposals were finalised and submitted to Planning Services who approved the submission using the appropriate exchange of correspondence with Housing Services.
- 4.3 A full range of site investigations were carried out to inform the form of development and cost of development of the site. The topography of the site is consistent with the wider Maybole area sloping north-west to south-east.
- 4.4 Due to the sloping levels across the site, retaining structures are required to be provided between plots and to the north of site adjacent to the neighbouring Jamieson Contractors yard. In addition, due to the previous use of the site as a council depot, the site investigations have identified that the ground is contaminated, therefore hazardous spoil will require to be removed from the site and a capping layer of inert soil provided over the entire area.
- 4.5 The total project cost including site acquisition and fees is £2.973m as detailed in paragraph 6.1.
- 4.6 It is proposed that the Council progresses with the development of the Ladyland Road site for the development of 14 units based on the funding package of £2.973m for the project as detailed within paragraph 6.2.

- 4.7 It is proposed to appoint a Temporary Consultant Clerk of Works at an estimated cost of £25,000 to oversee the construction of the development.
- 4.8 Pending approval, it is envisaged that the development will start onsite in March 2020 and complete February 2021.

5. Legal and Procurement Implications

- 5.1 The recommendations in this report are consistent with legal requirements in relation to building contracts and the council would enter into a Scottish Building Contract Committee (SBCC) Design and Build contract with Company A for the development of the housing units. The contract has been negotiated on behalf of South Ayrshire Council by Thomas C Stewart Construction Consultants through the Scottish Procurement Alliance Framework which is consistent with procurement requirements.
- 5.2 In addition to the construction costs is the requirement for a Temporary Consultant Clerk of Works to oversee the build on behalf of the council and this service would be tendered consistent with procurement requirements and appointed for the duration of the contract period.

6. Financial Implications

- 6.1 The overall costs to deliver the new development are summarised as follows:

| <i>Item</i> | <i>Cost</i> |
|---------------------------|----------------|
| Land acquisition costs | £0.100m |
| Development Costs & Fees | £2.715m |
| SPA Framework Fee @ 0.5% | £0.133m |
| Clerk of Works | £0.025m |
| Total Project Cost | £2.973m |

- 6.2 The proposed capital funding package for the project is summarised as follows:

| <i>Source</i> | <i>Funding</i> |
|--|----------------|
| Scottish Government Affordable Housing Grant @ £59,000 per unit (greener standard) | £0.826m |
| Second Home Council Tax Funds | £0.500m |
| HRA Borrowing | £1.647m |
| Total Funding | £2.973m |

6.3 The 2nd homes Council tax budget for 2019/20 is £1,623,000 of which £500,000 has been committed for the affordable housing development at Waggon Road, Ayr; £500,000 is proposed for the affordable housing development at Ladyland Road, Maybole; and £400,000 for the affordable housing development at Fort Street, Ayr leaving £223,000 uncommitted.

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 adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejecting the recommendations may impact on the reputation of the Council by failing to increase the supply of affordable housing and make best use of available Scottish Government subsidy. This subsidy would be diverted to other Local Authorities if South Ayrshire cannot commit to delivery of sites within the SHIP.

8.2.2 Rejecting the recommendations may result in increased pressure on the availability of affordable/supported housing in the local area and would impact on delivery of the provision of bungalows for those with specific housing need in the area.

9. Equalities

9.1 An Equalities Impact Assessment (EQIA) has been carried out on the proposals contained in this report, which identifies potential positive and negative equality impacts and any required mitigating actions. The EQIA is attached as [Appendix 2](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - The environmental issues of housing development are fully considered by the Local Development Plan, which is subject to a substantial SEA process at each stage of its development. Therefore an SEA will not be required for this development as the implication for the environment have been already been considered in that plan.

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 to 'Reduce Poverty and Disadvantage' and within that to the outcome to '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 as the application has been considered under the agreed Joint Processing Arrangements between Planning Services and Housing Services.
- 13.2 Consultation has taken place with Councillor Phillip Saxton, Portfolio Holder for Housing and Community Wellbeing, and the contents of this report reflect any feedback provided.
- 13.3 Consultation has taken place with Local Members and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Director - 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:

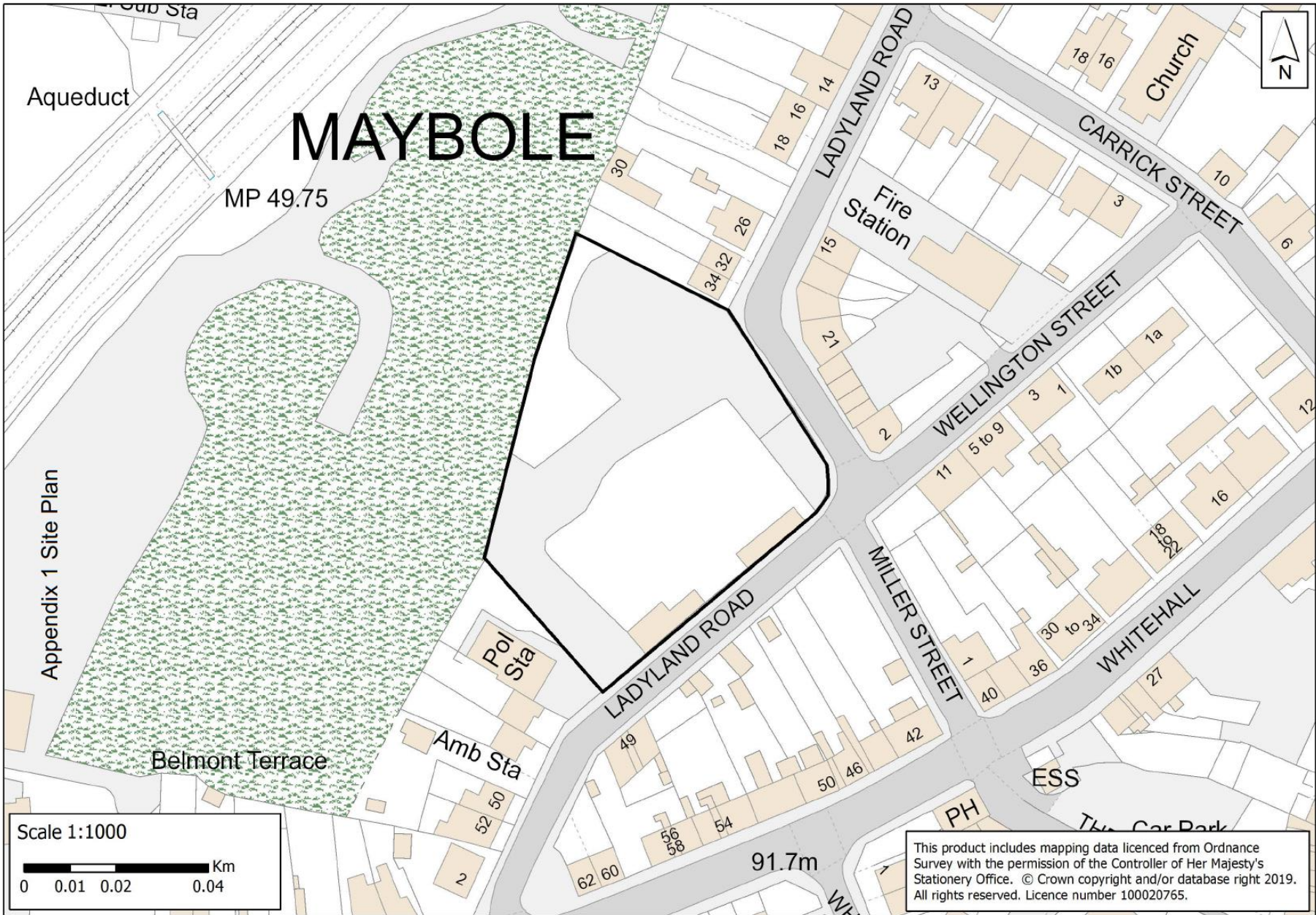
| <i>Implementation</i> | <i>Due date</i> | <i>Managed by</i> |
|--|-----------------|--|
| Award construction contract to Company A | 2 December 2019 | Service Lead - Special Property Projects |

Background Papers **Report to Leadership Panel of 17 January 2017 – [Affordable Housing – Council Owned Sites](#)**

Report to Leadership Panel of 27 November 2018 - [Strategic Housing Investment Plan \(SHIP\) – 2019/20 to 2023/24](#)

Person to Contact **Derek Yuille, Service Lead – Special Property Projects
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Date: 15 November 2019



South Ayrshire Council Equality Impact Assessment Scoping

1. Proposal details

| | |
|--|---|
| Proposal Title: Development of 14 units at Ladyland Road, Maybole | Lead Officer : Rosemary Hart Co-ordinator (Housing New Build) |
|--|---|


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 proposal? Please indicate whether these would be positive or negative impacts

| Community, Groups of People or Themes | Negative Impacts | Positive impacts |
|---|------------------|------------------|
| The whole community of South Ayrshire | No | No |
| People from different racial groups, ethnic or national origin. | No | No |
| Women and/or men (boys and girls) | No | No |
| People with disabilities | No | Yes |
| People from particular age groups for example Older people, children and young people | No | Yes |
| Lesbian, gay, bisexual and heterosexual people | No | No |
| People who are proposing to undergo, are undergoing or have undergone a process to change sex | No | No |
| Pregnant women and new mothers | No | No |
| People who are married or in a civil partnership | No | No |
| People who share a particular religion or belie | No | No |
| Thematic Groups: Health, Human Rights, Rurality and Deprivation. | No | Yes |

3. Do you have evidence or reason to believe that the proposal will support the Council to:

| General Duty and other Equality Themes | Level of Negative and/or Positive Impact (high, medium or low) |
|---|--|
| Eliminate discrimination and harassment faced by particular communities or groups | Positive - Low |
| Promote equality of opportunity between particular communities or groups | Positive - Medium |
| Foster good relations between particular communities or groups | Positive - High |
| Promote positive attitudes towards different communities or groups | Positive – High |
| Increase participation of particular communities or groups in public life | Positive – Low |
| Improve the health and wellbeing of particular communities or groups | Positive – High |
| Promote the human rights of particular communities or groups | Positive – Medium |
| Tackle deprivation faced by particular communities or groups | Positive – Medium |

4. Summary Assessment

| | | |
|--|--|-----------------------------|
| Is a full Equality Impact Assessment required? (A full EIA must be carried out on all high and medium impact proposals) | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| Rationale for decision: 8 high/medium level positive impacts. | | |
| Signed :  | Service Lead Special Property Projects | |
| Date: 01/10/19 | Copy to equalities@south-ayrshire.gov.uk | |