

---

## NORTH AYRSHIRE COUNCIL

22 March 2022

### Cabinet

---

**Title:** Acquisition of Land for Council House Building

**Purpose:** To seek Cabinet approval for the four former school sites at James Reid (inclusive of the Focus Centre), Saltcoats; James McFarlane, Ardrossan; Garnock Academy, Kilbirnie; Stanecastle, Irvine; and sites C and D at Montgomerie Park, Irvine to be transferred from the General Fund to the Housing Revenue Account.

**Recommendation:** That Cabinet approves the transfer of the four former school sites at James Reid (inclusive of the Focus Centre), Saltcoats; James McFarlane, Ardrossan; Garnock Academy, Kilbirnie; Stanecastle, Irvine; and sites C and D at Montgomerie Park, Irvine from the General Fund to the Housing Revenue Account for the sum of £6,365,000, subject to the future deduction of abnormal development costs.

---

### 1. Executive Summary

- 1.1 The Strategic Housing Investment Plan (SHIP) 2022-2027 was approved by Cabinet on 2 November 2021. The SHIP sets out the priorities for affordable housing investment in North Ayrshire over the next five years support the outcomes articulated within the Local Housing Strategy 2018-2022 (LHS).
- 1.2 The housing development programme includes the redevelopment of the following sites which are currently owned by the Council's General Fund (see plans at Appendices 1-5):
- Former James Reid School and Focus Centre, Saltcoats
  - Former James McFarlane School, Ardrossan
  - Former Garnock Academy, Kilbirnie
  - Former Stanecastle School, Irvine
  - Sites C & D at Montgomerie Park, Irvine
- 1.3 Additional grant funding of circa. £1.5m has become available from the Scottish Government during the current financial year, arising from slippage in the delivery of other local authorities' programmes. This provides an opportunity to accelerate North Ayrshire's programme and utilise the £1.5m funding towards the acquisition costs for these sites. This helps to ensure that investment is maximised within the area.

- 1.4 This report seeks Cabinet approval to transfer the land from the General Fund to the Housing Revenue Account for the sum of £6,365,000, subject to the deduction of abnormal costs. The gross site valuations have been established through assessment by the District Valuer.

## **2. Background**

- 2.1 The Scottish Government has confirmed that a further £1.5m is available from their Affordable Housing Supply Programme to be spent during the 2021/2022 financial year. This funding is available in addition to the Council's grant funding allocation for 2021/2022, which is £18.205m.
- 2.2 The additional funding is available as some of the other local authorities in Scotland are unable to spend their allocations by 31 March 2022. The £1.5m is available on the condition that it is spent, and transactions are concluded, by 31 March 2022. North Ayrshire has been able to claim an additional £16.729m from slippage in other local authority areas in the five years from April 2016 to March 2021.

### **Strategic Housing Investment Plan**

- 2.3 The Strategic Housing Investment Plan (SHIP) 2022-2027 sets out priorities for affordable housing investment in North Ayrshire over the next five years, in order to support the outcomes set out within the Local Housing Strategy.
- 2.4 When preparing the SHIP, the Council and its RSL partners committed to delivering the projects detailed within it. However, the nature of development means that unexpected delays or constraints may emerge. Scottish Government guidance therefore indicates that a slippage programme is required. To meet the requirement for 'slippage', the Council has over committed the funding within the SHIP. This also provides the opportunity to utilise grant funding that other local authority areas are unable to spend.
- 2.5 As reported to Cabinet on 2 November 2021, should additional funding become available, the Council liaises with the Scottish Government to agree where additional expenditure can be accommodated in our area.
- 2.6 The former school sites at James Reid, Saltcoats (incorporating the focus centre); James McFarlane, Ardrossan; Garnock Academy, Kilbirnie and Stanecastle, Irvine are included for development within the SHIP 2022-2027. Sites C and D at Montgomerie Park, Irvine were included within the SHIP as 'confidential' sites - 'Redevelopment 10, 11b & 14' whilst a viability assessment was undertaken to determine the extent of the abnormal costs associated with the development of these sites to provide affordable Council housing.

### **Site Valuations**

- 2.7 Valuations have been obtained from the District Valuer, based on the full market value of each site, as none of the sites have been zoned for affordable housing within the current Local Development Plan (LDP2). The gross valuations will be subject to the deduction of any abnormal costs agreed as part of the development projects. The gross site full market values are detailed within Table 1 below:

*Table 1: Site Valuations and Information*

<b>Site</b>	<b>Gross Value</b>	<b>Approx. Area</b>	<b>Units</b>
James Reid, Saltcoats	£600,000	1.5 hectares	46
James McFarlane, Ardrossan	£230,000	0.6 hectares	18
Garnock Academy, Kilbirnie	£470,000	2.5 hectares	50
Stanecastle, Irvine	£490,000	1.0 hectares	30
Montgomerie Park, Irvine	£4,575,000	5.6 hectares	189
<b>Total</b>	<b>£6,365,000</b>	<b>11.2 hectares</b>	<b>333</b>

- 2.8 The Council has appointed an external Quantity Surveyor to agree the abnormal development costs which will be deducted from the acquisition value for each site following internal review by the Council's Quantity Surveyors. The consultant will also advise on the application of caps on abnormal costs, if appropriate. This will ensure that the interests of both the General Fund and Housing Revenue Account are protected.

#### **Former James Reid School and Focus Centre, Saltcoats**

- 2.10 It is proposed that the land at the former James Reid School and Focus Centre in Saltcoats is transferred from the General Fund to the Housing Revenue Account at a cost of £600,000, subject to the deduction of abnormal costs, before 31 March 2022.
- 2.11 The ground is held within the General Fund. There is no rental income for the property, which is currently being demolished. The site measures approximately 1.5 hectares and can accommodate 46 units of new Council housing, an increase of 2 units from the approved SHIP 2022-27.
- 2.12 Draft plans consultation has been completed and it is currently anticipated that works will commence during spring / summer 2022 and be completed by winter 2023.
- 2.13 Early site investigations have been undertaken which have identified abnormal development costs associated with utilities diversions, site remediation and the formation of a new junction from Dalry Road.

#### **Former James McFarlane School, Ardrossan**

- 2.14 It is proposed that land at the former James McFarlane School in Ardrossan is transferred from the General Fund to the Housing Revenue Account at a cost of £230,000, subject to the deduction of abnormal costs, before 31 March 2022.
- 2.15 The ground is held within the General Fund. There is no rental income for the site, which has been demolished. The site measures approximately 0.6 hectares and can accommodate 18 units of new Council housing.
- 2.16 Draft plans consultation has been completed and it is currently anticipated that works will commence during spring / summer 2022 and be completed by summer 2023.
- 2.17 Early site investigations have been undertaken which have identified potential abnormal development costs associated with utilities diversions and site remediation.

### **Former Garnock Academy, Kilbirnie**

- 2.18 It is proposed that land at the former Garnock Academy in Kilbirnie is transferred from the General Fund to the Housing Revenue Account at a cost of £470,000, subject to the deduction of abnormal costs, before 31 March 2022.
- 2.19 The ground is held within the General Fund. There is no rental income for the site, which has been demolished. The site measures approximately 2.5 hectares and can accommodate 50 units of new Council housing.
- 2.20 Draft plans consultation has been completed and it is currently anticipated that works will commence during summer 2022 and be completed by winter 2023.
- 2.21 Early site investigations have been undertaken which have identified potential abnormal development costs associated with site remediation.

### **Former Stanecastle School, Irvine**

- 2.22 It is proposed that land at the former Stanecastle School in Irvine is transferred from the General Fund to the Housing Revenue Account at a cost of £490,000, subject to the deduction of abnormal costs, before 31 March 2022.
- 2.23 The ground is held within the General Fund. There is no rental income for the site, which is currently being demolished. The site measures approximately 1.0 hectares and can accommodate 30 units of new Council housing, an increase of 2 units from the SHIP 2022.
- 2.24 Draft plans consultation has been completed and it is currently anticipated that works will commence during spring / summer 2022 and be completed by winter 2023.
- 2.25 Early site investigations have been undertaken which have identified abnormal development costs associated with utilities diversions and site remediation.

### **Sites C & D at Montgomerie Park, Irvine**

- 2.26 It is proposed that the land which forms sites C and D at Montgomerie Park, Irvine is transferred from the General Fund to the Housing Revenue Account at a cost of £4,575,000, subject to the deduction of abnormal costs, before 31 March 2022. The development of these sites has been included within the school roll estimates for the new Montgomerie Park Primary School.
- 2.27 The ground is held within the General Fund. There is no rental income for the site, which is currently vacant. Sites A and B at Montgomerie Park were recently sold to a private developer and there was strong market interest in these sites. The market value determined by the District Valuer reflected the sale values achieved for sites A and B. The development of sites C and D will assist to provide infrastructure to support the development of the remaining sites at Montgomerie Park.
- 2.28 The site measures approximately 5.6 hectares and can accommodate approximately 189 units of new Council housing, an increase of 21 units from the SHIP 2022. The site capacity of 189 units is in excess of the number included in the drainage strategy for

the site masterplan and further investigation is required to establish if these additional units can be supported on the site.

2.29 Draft plans consultation will be undertaken during spring 2022 and it is currently anticipated that works will commence during autumn / winter 2022 and be completed by winter 2025.

2.30 Early site investigations have been undertaken which have identified abnormal development costs associated with ground consolidation, utilities diversions and wider site infrastructure.

### **3. Proposals**

3.1 It is proposed that Cabinet approves the transfer of the four former school sites at James Reid (inclusive of the Focus Centre), Saltcoats; James McFarlane, Ardrossan; Garnock Academy, Kilbirnie; Stanecastle, Irvine and sites C and D at Montgomerie Park, Irvine from the General Fund to the Housing Revenue Account for the total sum of £6,365,000, subject to the future reimbursement of abnormal development costs.

### **4. Implications/Socio-economic Duty**

#### **Financial**

4.1 The sum of £6,365,000 will be transferred from the Housing Revenue Account to the General Fund. Abnormal development costs will later be reclaimed from the General Fund, at an agreed cap or limited to the gross transfer value if a cap cannot be established. If the acquisitions do not conclude by 31 March 2022 the land acquisition costs will be met from future years' grant allocations.

#### **Human Resources**

4.2 None

#### **Legal**

4.3 There is a requirement to conclude the transfer of the assets by 31 March 2022 to enable Scottish Government grant funding to be utilised. The development of the James Reid, Garnock Academy, Stanecastle and Montgomerie Park sites fall within the Council's permitted development rights. These sites are all located in 'General Urban Area' classified zones within the current Local Development Plan (LDP2). Permitted development enables local authorities to carry out works, within their district, for the erection of dwellings so long as the development conforms with the LDP. The Council will obtain a 'Certificate of Lawfulness' from the Planning Service to certify that these sites have been considered against the full terms of the adopted LDP. Planning permission is required for the redevelopment of the former James McFarlane site in Ardrossan as a small portion of the site is classified as 'Open Space' within the LDP.

#### **Equality/Socio-economic**

4.4 The Council House Building Programme makes a direct contribution to the Council's socio-economic duty by providing affordable housing. Our rent levels are below the Scottish national average for local authority housing providers. Our new build housing

also meets the latest Building Standards, and we adopt a range of sustainable technologies at each project to provide lower running costs and alleviate fuel poverty.

### **Environmental and Sustainability**

- 4.5 The projects will meet the Scottish Government's 'Greener Standard'. Innovative approaches to fuel efficient development will be considered on a site-by-site basis (for example, biomass boilers, solar photovoltaic panels, smart technologies etc). The new Council homes will contribute to the Council's Sustainability agenda. New housing is more energy efficient, better ventilated, and has higher levels of thermal comfort, which supports improved health and well-being.

### **Key Priorities**

- 4.6 The provision of new affordable housing supports the Council Plan priority to provide affordable, modern and well-designed homes that meet residents' needs. It supports the ambitions of the Council's Regeneration Delivery Plan to drive forward development on strategic regeneration sites, including town centres. There is also evidence that children and young people can benefit from improved cognitive development and a reduction in behavioural issues through living in a more attractive, warmer, and better ventilated environment and the provision of new affordable housing also supports the Council Plan priority that children and young people experience the best start in life. New housing will also support our island communities and their economies.

### **Community Wealth Building**

- 4.7 The development of these sites supports the Council's Regeneration Delivery Plan. The plan sets out the Council's priorities to deliver on the Land and Assets pillar, objectives and associated actions of the Community Wealth Building Strategy. It aims to support equitable land development and the development of underutilised assets for community use. The delivery of these sites will also contribute to the Procurement pillar through the inclusion of appropriate community benefit of local supplier clauses within the construction contracts and by considering phasing and programming to support delivery by smaller scale and local contractors where appropriate.

## **5. Consultation**

- 5.1 No consultations were required in the preparation of this report.

RUSSELL McCUTCHEON  
Executive Director (Place)

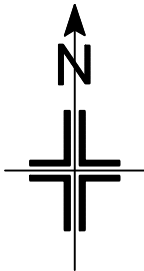
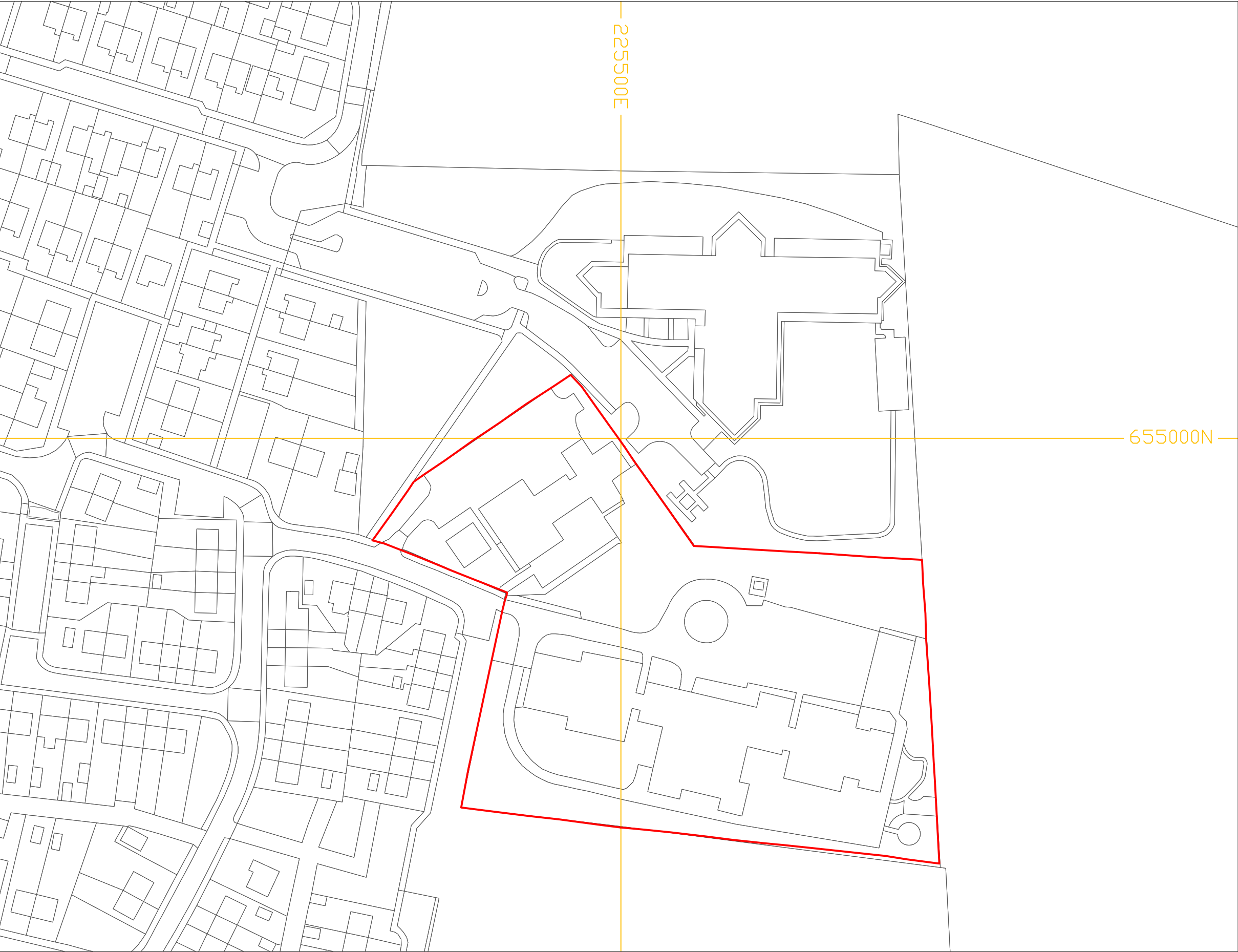
For further information please contact **Yvonne Baulk, Head of Housing and Public Protection**, on **01294 324542**.

### **Background Papers**

THIS IS THE PLAN REFERRED TO IN THE FOREGOING ... BY THE NORTH AYRSHIRE COUNCIL  
IN FAVOUR OF ..., OF:

James Reid School, Saltcoats

Area within red boundary = 15,079m<sup>2</sup> or thereby



Measurements and boundary imported from James Reid Draft Plans Consultation.pdf  
Should be used for illustrative purposes only.

Rev	Description	Drawn	Chkd.	Date

Reproduced from the Ordnance Survey map with the permission of The Controller of Her Majesty's Stationery Office © Crown copyright and database rights 2019  
Ordnance Survey 100023393

WARNING: Paper copies distort. Always check scalebar before measuring.



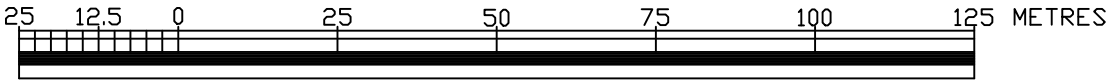
North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

Yvonne Baulk - Head of Physical Environment  
Property Management & Investment - Estates  
CUNNINGHAME HOUSE , IRVINE , KA12 8EE

(t) : (01294) 324888 (e) landandproperty@north-ayrshire.gov.uk

Title:	Property/Land at James Reid School Primrose Place, Saltcoats KA21 6LH
Project:	Boundary Plan of NAC site

Scale:	1:1250	Filename:	Xyyyyyy
Survey:	AC	Type:	Boundary Plan
Drawn:	AC	Date:	21/02/2022
Checked:		OS Grid Reference:	NS255426
Drawing No:	2022-02-21 - James Reid.dwg	Rev.	
		Sheet Size	A3

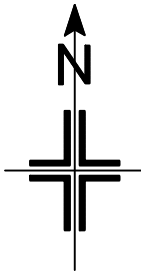
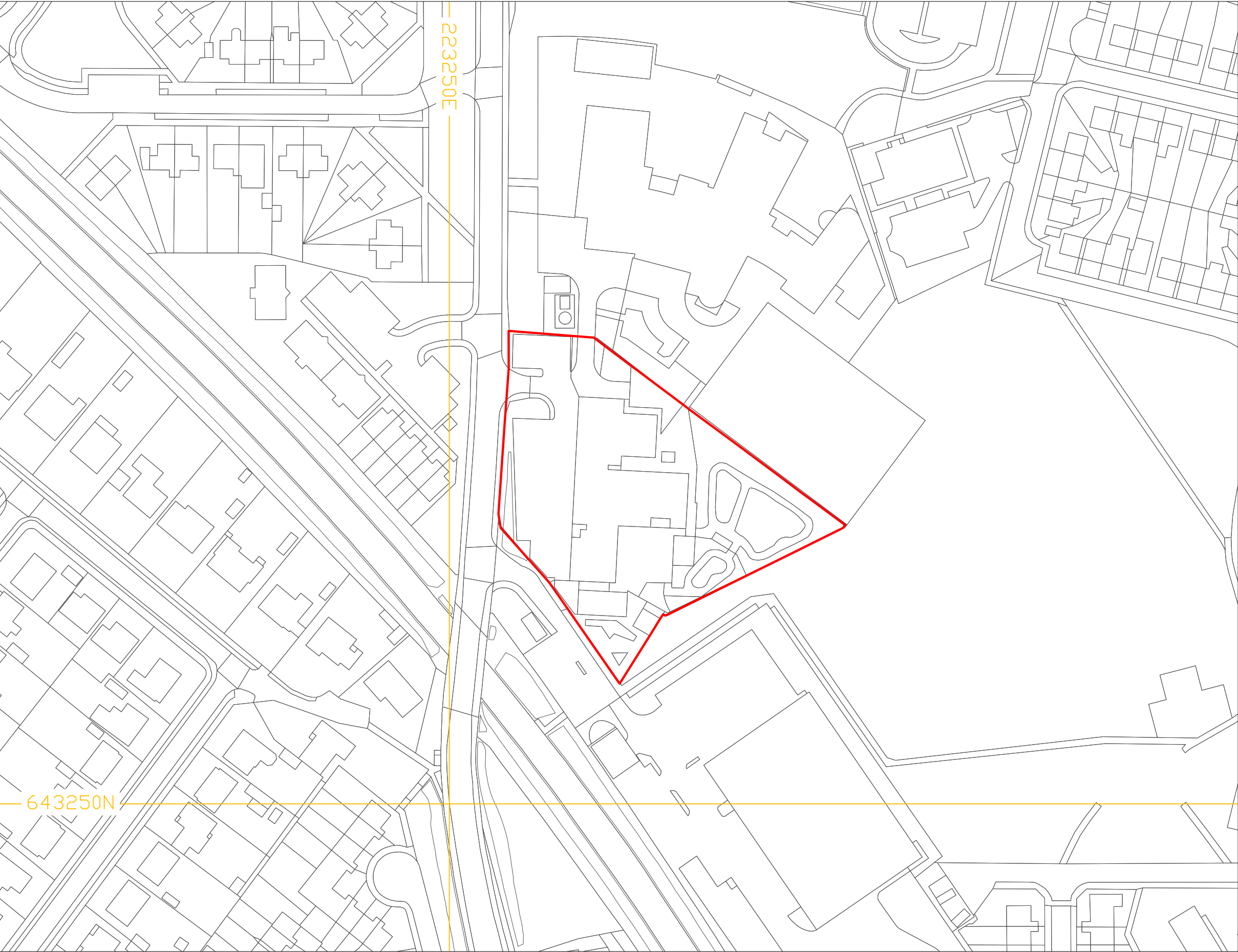


1:1250

THIS IS THE PLAN REFERRED TO IN THE FOREGOING ... BY THE NORTH AYRSHIRE COUNCIL  
IN FAVOUR OF ..., OF:

James McFarlane School, Ardrossan

Area within red boundary = 0.598ha or thereby



Measurements and boundary imported from James McFarlane Draft Plans Consultation.pdf. Should be used for illustrative purposes only.

Rev	Description	Drawn	Chkd.	Date

Reproduced from the Ordnance Survey map with the permission of The Controller of Her Majesty's Stationery Office © Crown copyright and database rights 2019  
Ordnance Survey 100023393

WARNING: Paper copies distort. Always check scalebar before measuring.

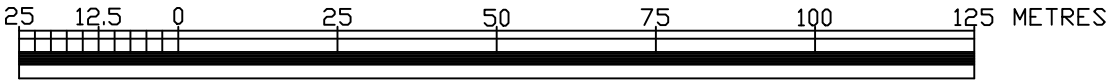


North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

Yvonne Baulk - Head of Physical Environment  
Property Management & Investment - Estates  
CUNNINGHAM HOUSE , IRVINE , KA12 8EE  
(t) : (01294) 324888 (e) landandproperty@north-ayrshire.gov.uk

Title: Property/Land at  
James McFarlane School  
Dalry Road, Ardrossan  
KA22 7JX  
Project: Boundary Plan of NAC site

Scale: 1:1250	Filename: Xyyyyyy
Survey: AC	Type: Boundary Plan
Drawn: AC	Date: 21/02/2022
Checked:	OS Grid Reference: NS232433
Drawing No: 2022-02-21 - James McFarlane.dwg	Rev. Sheet Size A3



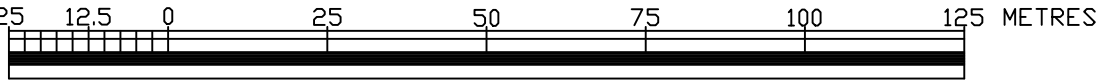
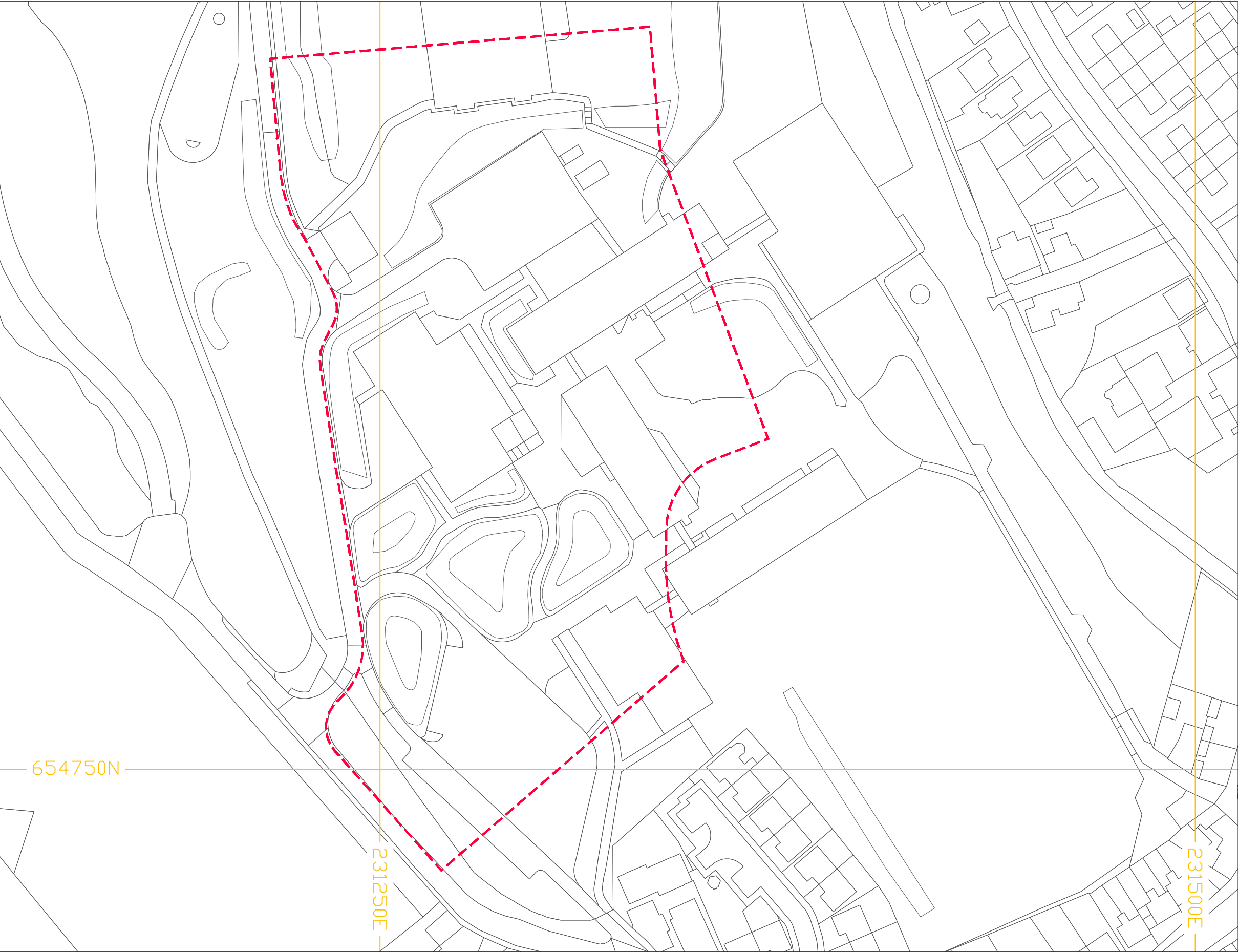
1:1250



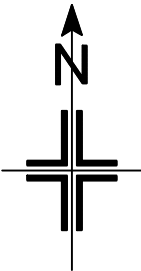
THIS IS THE PLAN REFERRED TO IN THE FOREGOING ... BY THE NORTH AYRSHIRE COUNCIL  
IN FAVOUR OF ..., OF:

Site of former Garnock Academy, Kilbirnie

Area within red boundary = 25,376m<sup>2</sup> or thereby



1:1250



Measurements and boundary imported from 0192\_50-03A\_Site Plan.pdf  
Should be used for illustrative purposes only.

Rev	Description	Drawn	Chkd.	Date

Reproduced from the Ordnance Survey map with the permission of The Controller of Her Majesty's Stationery Office © Crown copyright and database rights 2019  
Ordnance Survey 100023393

WARNING: Paper copies distort. Always check scalebar before measuring.



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

Yvonne Baulk - Head of Physical Environment  
Property Management & Investment - Estates  
CUNNINGHAME HOUSE , IRVINE , KA12 8EE

(t) : (01294) 324888 (e) landandproperty@north-ayrshire.gov.uk

Title: Property/Land at  
Garnock Academy  
School Road, Kilbirnie  
KA25 7AL

Project: Boundary Plan of NAC site

Scale: 1:1250	Filename: Xyyyyyy
Survey: AC	Type: Boundary Plan
Drawn: AC	Date: 21/02/2022
Checked:	OS Grid Reference: NS313548

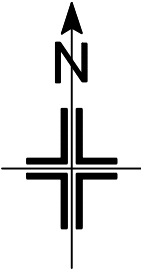
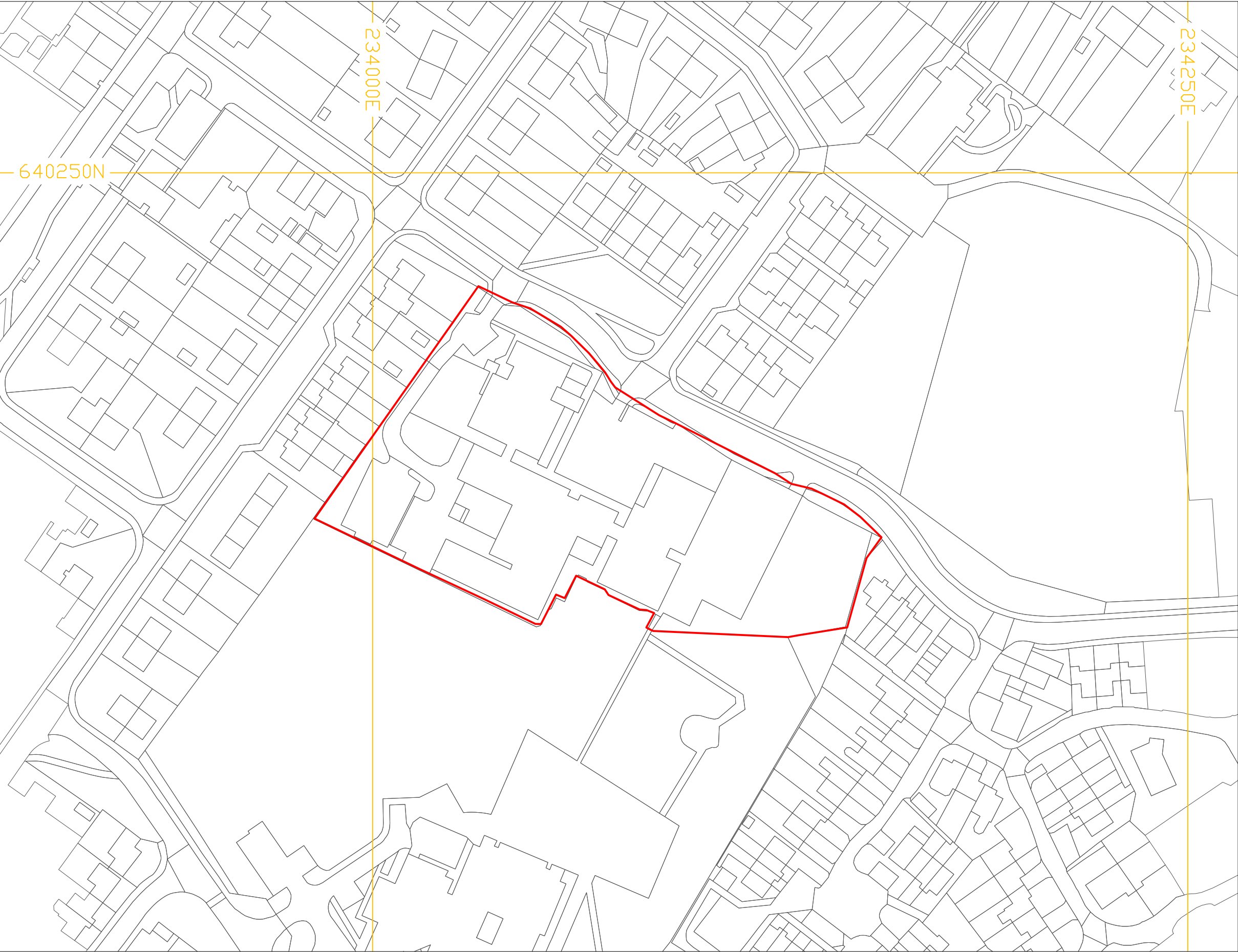
Drawing No:  
2022-02-21 - Garnock Academy.dwg

Rev.

Sheet Size

A3

Area within red boundary = 0.999ha or thereby



Measurements and boundary imported from Stanecastle Draft Plans.pdf  
Should be used for illustrative purposes only.

Rev	Description	Drawn	Chkd.	Date

Reproduced from the Ordnance Survey map with the permission of The Controller of Her Majesty's Stationery Office © Crown copyright and database rights 2019  
Ordnance Survey 100023393

WARNING: Paper copies distort. Always check scalebar before measuring.

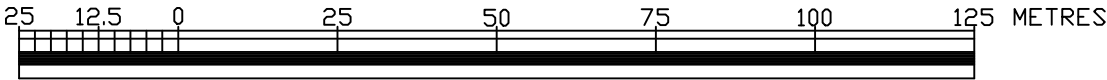


North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

Yvonne Baulk - Head of Physical Environment  
Property Management & Investment - Estates  
CUNNINGHAME HOUSE , IRVINE , KA12 8EE  
(t) : (01294) 324888 (e) landandproperty@north-ayrshire.gov.uk

Title: **Property/Land at Stanecastle School Burns Crescent, Irvine KA11 1AQ**  
Project: **Boundary Plan of NAC site**

Scale: 1:1250	Filename: Xyyyyyy
Survey: AC	Type: Boundary Plan
Drawn: AC	Date: 21/02/2022
Checked:	OS Grid Reference: NS340401
Drawing No: 2022-02-21 - Stanecastle.dwg	Rev. Sheet Size A3

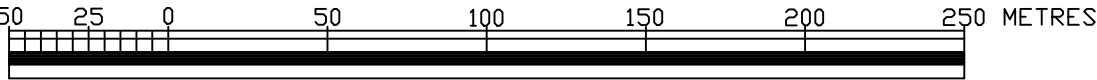
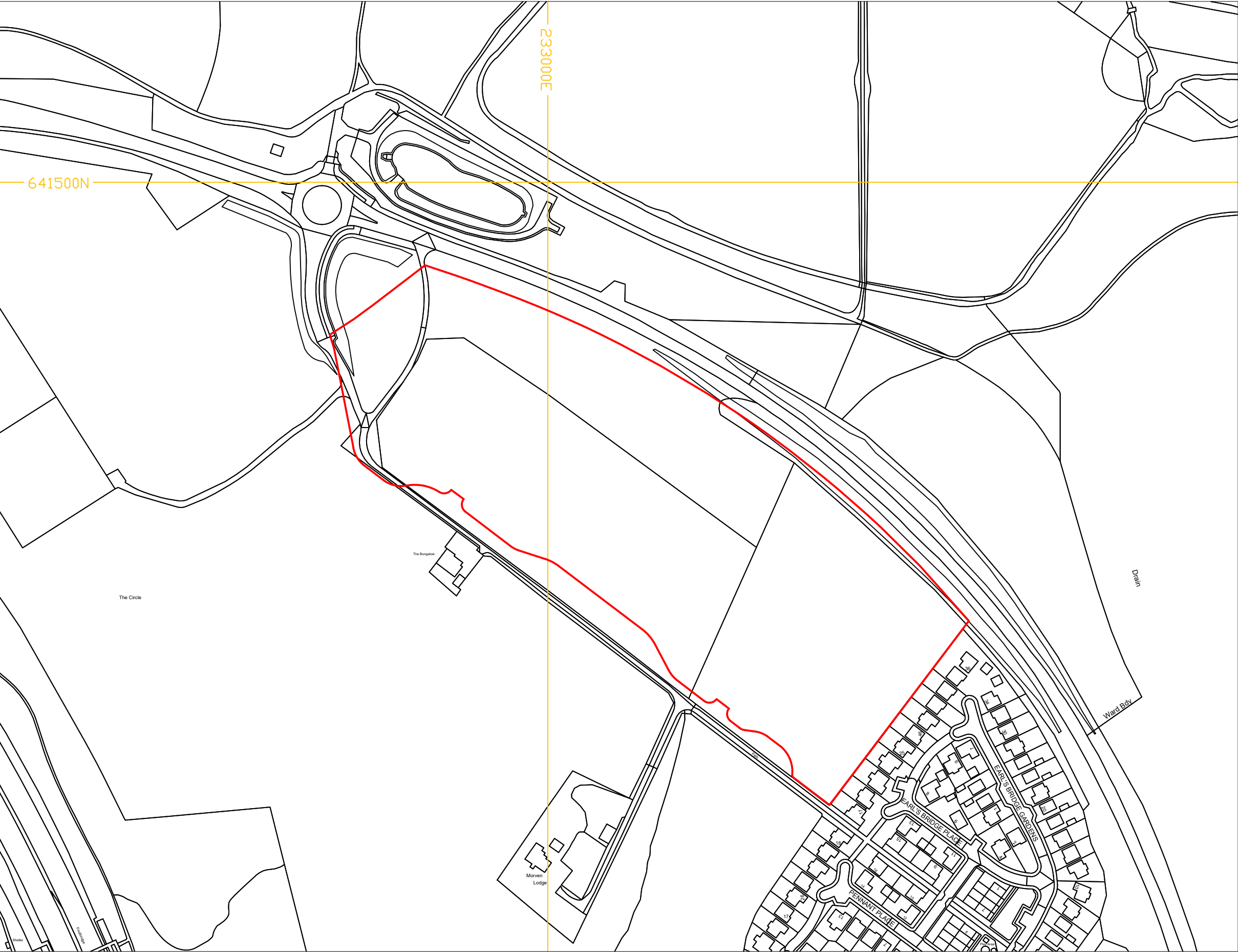


1:1250

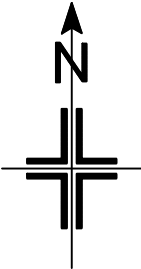
THIS IS THE PLAN REFERRED TO IN THE FOREGOING ... BY THE NORTH AYRSHIRE COUNCIL  
IN FAVOUR OF ..., OF:

Montgomerie Park, Irvine, KA13 7QY

Area within red boundary = 56,030m<sup>2</sup> or thereby



1:2500



Measurements and boundary imported from MontgomeriePark-Site-C-D-NAC-SK5-ROAD-CONFIDENTIAL-DRAFT.dwg. Should be used for illustrative purposes only.

Rev	Description	Drawn	Chkd.	Date

Reproduced from the Ordnance Survey map with the permission of The Controller of Her Majesty's Stationery Office © Crown copyright and database rights 2019  
Ordnance Survey 100023393

WARNING: Paper copies distort. Always check scalebar before measuring.



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

Yvonne Baulk - Head of Physical Environment  
Property Management & Investment - Estates  
CUNNINGHAME HOUSE , IRVINE , KA12 8EE  
(t) : (01294) 324888 (e) landandproperty@north-ayrshire.gov.uk

Title: Property/Land at  
Montgomerie Park  
Irvine  
KA13 7QY  
Project: Boundary Plan of NAC site

Scale: 1:1250	Filename: Xyyyyyy
Survey: AC	Type: Boundary Plan
Drawn: AC	Date: 21/02/2022
Checked:	OS Grid Reference: NS330412
Drawing No: 2022-02-21 - Montgomerie Park.dwg	Rev. Sheet Size A3