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14 November 2018

East Lothian Council Community Asset Transfers
East Lothian Council
John Muir House
Brewery Park
Haddington
East Lothian
EH41 3HA

Dear Sirs

**Lime Grove proposed Asset Transfer – representation regarding Former Council Depot at Lime Grove, North Berwick, East Lothian
Asset Transfer No 1357 and 1359**

[REDACTED] to the proposed Lime Grove Community Hub project, registering our comments on the proposals from a variety of aspects. We have reviewed the online documents and attended many of the meetings which have taken place over the last couple of years. We would hope that our comments are registered and considered when the Asset Transfer Team at ELC consider the proposed application.

Consultation

We have attended most if not all Lime Grove project meetings along with other residents of Lime Grove. At each meeting we expressed our concerns regarding various aspects of the proposals and asked questions about sustainability, need and demand. These questions have been consistently ignored. At no time has the committee approached us or the other Rhodes Farmhouse residents to discuss their proposals and the impact that any of this would have on our B-listed property. The fact that number 1 Rhodes Farmhouse could lose its right of access does not appear to have been considered at all in any of the proposals. That this has not been discussed with the house owners involved is quite shocking in itself given that the documents state that the architects are 'very experienced in community consultation', never mind the lack of courtesy from the committee leading this.

Consultation has been undertaken in asking the wider community what its needs are and the answer at the top of the questionnaires has been for a youth facility and health facility and yet at the at St Andrew Blackadder presentation and the following ones at the Hope Rooms the consultants (SKS) steered the room towards the need for a theatre and performing arts facility along with play and a bunkhouse based on the need for financial income generators. This is, in our view, a return to the 2014 Jura report led by the Arts steering group in the town, which in itself suggests the facility would NOT be viable without £90k revenue funding.

In respect of the town's needs - we have no Town Plan and no Strategy to base any of this on. The Scottish Govt is asking communities to develop these in partnership with their Local Authority. This has not happened here at this point but I am very aware that it has been discussed by the Area Partnership. These Plans need to take into consideration all existing facilities, use thereof and local and future local plan proposals so that communities can have a real say in the future of their communities.

We recognise that North Berwick is growing rapidly, and we recognise the need for new infrastructure to cope with this. However, in our opinion, the proposal is a 'knee jerk' reaction to save a piece of land the existence of which is unknown to many folk in the town and which residents would not venture to Lime Grove at any time. So why would they now? We moved to Rhodes Farmhouse over 20 years ago knowing then that the site would eventually be sold so why do we see this project appear now? Surely the approach should be to work with the Council to look at the capital and income receipts from the site to deliver better community facilities within the Town for those groups who need it – young people and elderly. The NBT we know has funding, and at this time has not committed any money towards this project. We suggest that if NBT were to support a community initiative of this nature it is one which is based on wider community planning and addresses the many needs and we would suggest looks to develop a site that is far easier to be developed than Lime Grove.

Environmental and Planning Considerations

There is no assessment of the potential significant adverse impact on the setting and character of the adjacent Category B Listed building of the proposed development as set out in the diagram with specific reference to the proposed "hostel" building. The layout as proposed may therefore be contrary to the relevant land use planning framework contained in the recently Adopted Local Development Plan, Strategic Development Plan, Scottish Planning Policy, National Planning Framework 3 and the Historic Environment Scotland Policy Statement.

Without detailed design information, the proposed location of the "hostel" building may significantly adversely impact the privacy and amenity of neighbouring existing properties e.g. Rhodes Farmhouse due to positioning, height and massing. This is contrary to Local Development Plan Policy DP2 on the matter. This should be located at distance from existing development if located on the site at all.

There is no assessment of impact upon the protected coastline due north of the proposed development. The Firth of Forth is a designated SAC, SPA, SSSI, and RAMSAR site. The proposed development will have an impact upon these designations and this must therefore, we believe be appropriately assessed before any development or community asset transfer be permitted. The proposed development is considered potentially contrary to the national, strategic and local land use planning policy framework above until proven otherwise.

The proposed development will have a significant adverse impact upon a local known great crested newt population (as well as known nesting sites of bats and owls). This species of newt is afforded the highest protection within UK and European environmental legislation and the proposed development would appear to take no cognisance of its existence in the proposed layout. This is, again, contrary to the land use planning policy framework set out above.

There is no assessment of the capacity of the proposed access on to Lime Grove and the Lime Grove Tantallon Road junction to take the level of traffic to be generated by the proposed development. The site is located to the east of the town on a poorly served public transport route. The scale of parking proposed encourages the use of the private car contrary to Scottish Government policy on the need to promote alternatives to such use.

The location is 2km by car from the town centre and over 3km from the new homes at Millers Housing or Cala/Walker on Grange Road. Walking along the beach is 1.2 km but it is not lit at the east end so an unlikely walking route from October to March and not safe for young people. Therefore, the distances for young people will extend for 6 months of the year. There is a bus service to Lime Grove, but this adds a cost to anyone coming to a facility that is targeted at younger and elderly people, age groups with least income. These age groups are the most unlikely to drive and are being asked to come to the far east of the town to socialise. Unlike the west of the town there is unlikely, due to planning constraints, to be further major housebuilding in the east after 'Barley Brae' is completed, so the east will have by far the least populated family housing compared to the west of the Town with the newer developments on Grange Road, and Dirleton Avenue.

Supporters/displacement competition

The lack of letters or statements of support for this project in the business plan from other local organisations underlines our concerns. Apart from the youth cafe and film club there is no other statement from organisations or any groups who have committed to use this facility and on which to base any firm financial proposals. All finances have been based on facilities elsewhere, and not on firm agreements for users here in North Berwick. At this stage of development of a proposal of this nature it would be expected to see firm partnership agreements in principle to back up the financial proposals when asking for Asset Transfer.

The community centre seems to be 'in discussion to not compete and look at programming and even share management' but have not come out publicly saying they are not concerned and believe the demand can cater for two sustainable facilities. The various churches, Hope Rooms, Masonic Hall, Scouts and schools have not, it would appear, been consulted as regards their views on need and demand and displacement of services.

Regarding competition, two facilities have not been mentioned - The Lighthouse has been developed over the last year and has become home to a number of small enterprises and a major dance school - one of the suggested users of the new facility. The play research suggests that there is no other play provision locally and yet Whitekirk Hill gained full planning in July 2018 for a play facility and a café bigger than the one proposed in Lime Grove. It is known in the play industry that users will travel the majority of the time by car so the location of Whitekirk Hill, which will be open several years before Lime Grove can be, will create major competition and impact on the financial plan proposed.

Need and Demand analysis

Facilities for young people and older people need to be central and accessible and we would have expected there to have been a consultation with existing providers to actually understand the real needs - in our opinion this has not happened. There is no published audit of use of current facilities - which was raised at several meetings - business consultants, in our opinion, ought to have carried this out as a base line in their research. Where are the real gaps in provision? No evidence has been presented, no facts or figures on where facilities are full and no demand analysis of future demand or comments from groups requiring facilities to grow their organisations.

The evidence is anecdotal - like any other community facility we would expect full usage at peak hours, but this does not warrant a £3.75m new build in this current economic climate if it cannot be filled 7 days a week.

The proposal suggests a big hall for arts and drama - we have a large hall with a stage at the High School for all the proposed evening events - if there was such demand these could all take place now

in our town at the school. It is incredible that the school facilities were not even mentioned in any documentation associated with this proposal. The Scottish Government wishes to see any new build to be sustainable and based on the fact any existing provision is proven to be full. Let's sweat our assets before we build new - East Lothian Council have the same approach and yet there is no evidence of this in these documents. The Jura report in 2014 was clear that the theatre was not sustainable even through use of volunteers and would need deficit funding of up to £90k per year. How is this particular venture going to be a profit-making facility all of a sudden?

The play facility which has been proposed would compete with Whitekirk Hill, diluting its uniqueness in the town. The implementation of full allocation of nursery places by the Scottish Government will see children at nursery more hours than before and could impact on the demand of preschool markets.

Sustainability comments

We recognise that there is a need for additional community infrastructure in North Berwick and would happily offer any expertise we have to a more realistic project and site location. However, at this stage, we cannot support this proposal as our biggest concern is the lack of financial sustainability, driven we believe by lack of evidence of need and therefore the Town would, should this proceed, have a large white elephant on its hands within a short space of time.

Our reasons for such concern are based on the following analysis of the financial plans at Appendix 1 of the business plan:

The Theatre

Income projections suggest £19,000 per year from an average 15 hours lets per week from 80 hours available. Where is the use for the other 65 hours per week?

There is then added a secondary Theatre/hall income of £65,000 from a 'show in a week' production 3 times year which is based on a model in Dunblane. Dunblane is a unique sports, arts and community youth venue brought about as a result of a from a unique tragic set of circumstances and has been in existence for many years. If it were a 'home grown NB need' the school could provide the facilities for groups to do this in school holidays already.

The suggestion that a new build theatre/hall space is needed, based on an activity run at a facility in Dunblane, is not a robust financial assumption to attach to this facility.

The Youth Provision

The assumption of income of £15k per year for 150sqm of space for the youth Group. Disappointing to see the LGATG put this burden on the youth Group when they can get reduced rates at the Hope Rooms and this will be starting a new venture with no guaranteed income to pay this lease.

Café

The assumptions show £100k-plus income of which 25-30% is projected to derive from evening use of the café. However, the cafe staffing costs do not cover evenings. The café staff are only costed from 9-4pm each day. Clearly a major flaw in the financial modelling.

The café is only ever projected to turn a profit of less than £10k over the first 5 years. With the additional café staff costs not currently factored into the calculations that profit may well be reduced to a break-even position – or worse. The café staffing levels is overall considered to be minimal when compared to other café facilities within community venues.

What is most interesting is the level of overall income projected. Major sports and community facilities with larger play facilities across the Lothians serve over 250,000 customers but average income of only £120,000 per year. Based on this factual knowledge we believe that the suggested income projection for the café and capacity of users likely to use the facility over the course of a year is questionable at best.

Play provision

The play is promoted as unsupervised play which is not the current approach in the industry across leisure or community facilities. There are trained play workers within the facility, not just café assistants keeping an eye or taking fees.

The document makes no reference to the industry regulated requirements for providing children's play and the capital costs for the room do not allow for play equipment to be installed so this suggests a low level of equipment. The size to allow 0-10 years olds is very small and could cause accidents with such an age range.

The play provision is suggesting an income of £32,000 per annum from 9,000 users. Across a major local authority which provides the highest quality play within its sports centre in 6 locations, towns much larger than North Berwick (and with no competition) achieve only 10,000 visits per year in its soft play. To suggest that this venue will achieve 9,000 per year is again highly questionable and unverified in any way.

It is also noticeable that there is no expenditure (except a nominal £1000) attributed to the play facility for repairs, staff, insurances, ROSPA inspections or cleaning of specialist equipment.

As noted above the venue will now have direct competition at Whitekirk which will decrease the income generating capacity causing even further concern as to the suggested profits for the play provision.

Bunkhouse

The income projections suggest £131,000k in year 2, with related year 2 expenditure to operate this building is £41,000.

If any current bed and breakfast operator, hotelier or indeed YHA believed that they could turn a profit of nearly £100k (69%) on an annual basis they would all operate bunkhouses. However, they do not and many operate their businesses to a minimum profit each year.

Having spoken to those in the industry - both social enterprises and commercial ventures - our view is that these figures are hugely inflated and are not based on the true costs of operating such a facility, accommodating 32 people throughout the year.

To suggest that what in reality is standalone business on the site can be conducted with such low operating costs, in particular using a 3 hour per day employee, is fanciful at best.

Sustainability Summary

Having analysed the financials we suggest that the profit margins on all areas of the proposed building over the first 5 years are exaggerated and unverified. Therefore, potentially rendering the whole facility unviable over the 5-year period and unsustainable in the longer term. This should be

considered very carefully by East Lothian Council in this asset transfer process. There is no current funding offered for revenue stream or capital costs as we understand it.

The two areas which concern us the most are the theatre 'one show in a week' concept suggesting £65k income and the bunkhouse at £131k (with optimistic levels of costs) with no substantiation of these elements to give confidence in this venture.

With such major voids in the income projections, which we would estimate are overestimated by up to £100k per year, and questions over low expenditure items, we cannot see how this can be taken forward.

Furthermore, VAT, and in particular its potential impact on profit margins, does not appear to have been considered. It is unlikely that the build of this nature will be VAT exempt and the estimated £3.75m build cost will attract 20%, potentially irrecoverable, VAT.

Finally, it was interesting to note that on the financials it was stated that the North Berwick Trust are paying for the development cost to get the project off the ground, and the capital costs. We understand that this has yet to be confirmed. This indicates a conflict between the documents submitted for this CAT. Also, within these figures there is a workbook suggesting capital start-up costs, which whilst is clearly under costed is in fact costing for another facility called the 'Beacon', and not for the Lime Grove site – further undermining our confidence in the projections.

In conclusion we would like to stress this is not about us being "NIMBYs" as we would have welcomed a social enterprise option for the site or, preferably, a health sector solution, but most importantly one which offers long term sustainability and is right for the site and location. The site has many physical challenges for whoever eventually takes it on and, having been involved in community development and asset transfers for over 20 years for social enterprises, we would suggest to the new NBCDT that they focus on a Town Plan in getting the right site which they can make profitable and sustainable and not one which is not right for the community and targeted "just because it's there" with people thinking that it is the only site available for development of a community facility.

Thank you for considering our comments in this process and we look forward to hearing the Council outcome of the CAT process for this site and hope that the correct assessments are made and we look forward to following due process through to February 2019.

Should you require any further information from us as [REDACTED] we would be happy to speak to you directly.

Yours faithfully

[REDACTED]