

# THE COCKBURN ASSOCIATION



## THE EDINBURGH CIVIC TRUST

Trunk's Close, 55 High Street, Edinburgh EH1 1SR Tel: (0131) 557 8686  
[www.cockburnassociation.org.uk](http://www.cockburnassociation.org.uk) email: [director@cockburnassociation.org.uk](mailto:director@cockburnassociation.org.uk)

Emma Wilson  
City Development – Planning  
City of Edinburgh Council  
Waverley Court  
4 East Market Street  
EDINBURGH  
EH8 8BG  
[emma.wilson@edinburgh.gov.uk](mailto:emma.wilson@edinburgh.gov.uk)

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Dear Emma Wilson,

**APPLICATION REF: 12/04007/SCH3; Napier University Craighouse Campus, Craighouse Road, Edinburgh.** *Proposed change of use and conversion of existing buildings from university campus to residential and construction of new build residential, together with ancillary development, public realm, utilities infrastructure including access roads, car parking and landscaping.*

The Association has studied the plans for the above proposal and wishes to make the following comments of **objection**.

In the Edinburgh City Local Plan Easter Craiglockhart Hill is designated as Open Space and an Area of Great Landscape Value, reinforced by the pending Special Landscape Area designation. The latter landscape designation acknowledges the importance of the setting of the former asylum, as does the Craiglockhart Hills Conservation Area Character Appraisal. These designations predicate against development that will diminish the landscape (Policy ENV11) or fail to preserve or enhance the conservation area (Policy ENV6). We also note that the Edinburgh Skyline Study identifies Easter Craiglockhart Hill as a Key view to the Castle (S4b) which is seen from the open area to the south of the campus.

The new build proposed for the site unquestionably diminishes the open landscape character of Craighouse. The open landscape within a well-defined boundary forms a distinct contrast with the adjacent Victorian suburbs of the Plewlands Conservation Area. The proposal would not preserve or enhance the open landscape feature of Craiglockhart Hills Conservation Area and would be to the detriment of its special, identified, character.

The Planning Statement (PS) supplied does not contradict the above paragraph, acknowledging that the proposal is contrary to the Edinburgh Council Local Plan (PS;pg22). The applicant's argument is that the open landscape qualities require to be sacrificed to secure the future of the category A-listed buildings, now on the Buildings at risk register, through enabling development and that this is the only way to "save" the buildings. The applicant's financial appraisal for the enabling development does not convince the Association that this is the case.

The Association has long argued that enabling development is being used to support a high land price and not to safeguard the category A-listed buildings. All of the documents contained in the Enabling Case Report (ECR) and Report on Financial Case (RFC) support this view. It is alarming to read (ECR;pg29) that at meetings with City of Edinburgh Council (CEC) and Historic Scotland (HS) prior to bids being submitted for the site in 2011 that developers were encouraged to consider enabling development on various parts of the site and that this was reflected in the high value of bids submitted; £12.7m in the applicant's case, with overage (planning gain) though a lower notional land value figure is being quoted now in the financial appraisal.

CEC have advised that English Heritage's (EH) guidance "Enabling Development and the Conservation of Significant Places" should be used in lieu of any Scottish guidance on the topic to determine the case for any enabling development and this sets out the criteria by which enabling development should be assessed, amongst which point 4 of 7 states:-

"it is necessary to resolve problems arising from the inherent needs of the place, rather than the circumstances of the present owner or the purchase price paid" (PS;pg37).

EH also require a "conservation deficit" to be established first before enabling development is considered; this is the cost of specific conservation-related repairs and maintenance exceeding normal development costs.

By their own calculations (RFC;pg6) the applicant's "conservation deficit" from repairing and redeveloping the category A-listed buildings on their own as luxury housing is -£5.156m and this includes a 20% developer profit and a notional land value of £4.7m (£5.45m including fees). As any redevelopment site is worth the final sales value minus the overall cost of development it is not difficult to see that the true value of the site for redevelopment is £1, or a slightly negative notional value, something the Cockburn Association has been arguing all along. The applicant is also proposing to seek a grant from HS of £500,000 (PS;pg7) though this is not included in the above figures and if granted would rule out any negative valuation. We are also mindful that the current owners (Napier University are still listed on the recent application documents) have already received a subsidy in the grant Napier received to renovate the listed buildings when they took up ownership and it may be appropriate to pay this back if a high land value is agreed.

As can be seen then, with a land value of £1 the redevelopment and safeguarding of the listed buildings would be commercially viable with no enabling development and still achieve a 20% profit of some £6.383m for the developer. It is the notional land value of £4.7m which is the controversial figure.

In order to establish a notional value for the site the applicant commissioned an audit from the firm of Savills in 2013 (RFC;pg7) which was submitted to CEC Estates Surveyors who agreed it "was reasonable". We do not have access to that key document at the time of writing as it is not in the public domain; it is presented in the application as a *fait accompli*. However, its findings deserve close scrutiny, as does CEC Estates Department's assessment in view of the pre-purchase advice that enabling development was welcome. The notional value is based on EH criteria in clauses 5.6.5 and 5.6.6 that:-

"a break-up value of the site is relevant where there are buildings with "viable, often low-key use, from which the return does not justify permanent repairs but which gives them a modest market value" and where "subsidiary buildings could be sold off and used separately...without the need for any planning permission" (RFC;pg7).

As all but one of the existing buildings on site is listed it is very difficult to fathom how they could have a break-up value and future use which could avoid the obligation pertinent to all listed buildings that they be kept in a good state of repair in order to avoid a compulsory Repairs Notice being served by the local

authority. Furthermore, as the land is designated as of Great Landscape Value with presumptions against any development (the argument used by the applicant to justify enabling development) it is difficult to see how it has a break-up value of £4.7m when it cannot be built on. It would seem that the £4.7m valuation must be bogus, otherwise it would present a desirable outcome for the site to be saved within current planning constraints without any enabling development.

It should be noted that under Repairs Notice legislation should an owner fail to comply then the local authority has the power to acquire a site without recognising any land value, i.e. valuing it at £1:-

“If you fail to keep a listed building in a reasonable state of repair, the planning authority may serve a Repairs Notice. If you fail to comply with this notice the planning authority, with the consent of the Scottish Ministers, may be entitled to acquire it through compulsory purchase. If you deliberately neglect the building to justify its demolition and redevelopment of the site, the planning authority can buy the building at a price which excludes the value of the land for redevelopment.” (HS website, June 2014)

In assessing whether the enabling development is desirable or not, the applicant has relied upon the dubious argument that only enabling development “saves” the buildings and that failing to approve enabling development leads to their loss, ignoring the question of land values set out above. This argument is rehearsed in the ECR, PS and other documents as follows:-

“The buildings would be repaired, restored and a sustainable use found for them. This sustainable future should be contrasted with the alternative which is that the buildings remain vacant and in a state of decline for the foreseeable future. “Whilst the listed status of the buildings affords them a level of protection from damage or alteration, *it does not guarantee their protection from deterioration or dilapidation.*” (ECR; pg14)

As can be seen, the last sentence (our italics) is factually incorrect. The only reason the buildings are in decline at present is because the applicant is seeking permission for enabling development to justify a high land price. There is nothing controversial about the restoration of the category A-listed buildings and this could have progressed a year ago.

We find that this same bogus argument that enabling development is the “only” solution works its way into the applicant’s scoring of the assessment of the development. For example, in an analysis of the benefits and disbenefits of the scheme in Appendix 1 to ECR the site is “enhanced” by enabling development, but this is because the buildings are assumed saved by this means and lost otherwise. To give an idea of the scoring used the impact on the setting of Edinburgh (distant views) is -6 and on the setting of the buildings -8 whereas the benefits of development are +18 for restoring the buildings, +12 for maintenance of the grounds and +14 for bio-diversity. Obviously, if restoration was contemplated without enabling development it would score higher but this is not considered.

Whilst we have no concerns about the conversion of the listed buildings to apartments this residential use does preclude other users, such as hotel or wedding use which could allow public access to the exceptional great hall, providing a further “benefit” which has been overlooked in the scoring. In the ECR(pg23) hotel use as proposed by one bidder was rejected as being non-compliant with the bidding process, and this was against residential developers who were inflating the land price based on significant enabling development. Wedding venue use is also discussed (ECR;pgs23-25) and dismissed as unrealistic, as income generation would require three weddings per week. This market assessment is rather shallow and takes no account of venues such as Crewe Hall in Staffordshire, operated by speciality manager QHotels, where three weddings per day is the norm. The Cockburn Association does not wish to postulate alternative scenarios but it is essential when using so-called professional market analysis to draw planning conclusions, as

evident here, that the data is accurate, the scoring system used is transparent and applied equally to all and that commercial interests, such as a potential hotel operator, are not manipulated in a way to primarily justify the current application.

One of the major concerns expressed in EH guidance is that unsuccessful enabling development, where the developer goes bust, can significantly damage a special place by compromising the interest of potential single-use occupiers. For these reasons a hotel user, which would have very specific requirements, should be considered very carefully in case this use presents a viable use for the building. The applicant's scoring system of "proved in current scheme" and "challenging and unproven" in the table on pg 22 in the ECR could be used to justify any proposal and is wholly unsatisfactory as a piece of analysis.

We would also question the statement that 170FTE (full-time equivalent?) jobs will be created by approving the application (PS;pg4). This does not appear to be justified anywhere in the documents, but as the average UK wage is currently £26,500 this would require the development and future owners meeting costs of £4.5m/annum, which would appear preposterous. If these are temporary construction jobs then the important factor is how these compare to development without enabling development, or with a hotel which would create permanent jobs.

As we have said in the past the applicant's financial appraisals appear to be precarious and it is not certain that granting permission would safeguard the buildings or merely lock-in a high land value which could not be undone. As the EH guidance warns, enabling development should only be considered as a last resort and cognisance needs to be taken of the number of times it has devalued a place of special character rather than saved it.

With this iteration of Scheme 3 we are being encouraged to accept less development of poor quality materials to make a bigger 'profit' rather than a larger amount of development in good quality materials. Neither of these scenarios is attractive or justified and the policy guidance is quite clear that new development in the vicinity of listed buildings should be of the highest quality and respectful of character and setting. In the case of Craighouse, the buildings' special character must be viewed in the round according to the local conservation area character assessment and not compromised by new buildings in close proximity. Any development of terraced housing on the site is at odds with the institutional character of the existing buildings.

The Craighouse Campus on Easter Craiglockhart Hill combines landscape and architecture that are of national importance and the process is therefore under intense public scrutiny. The Association wishes to see the future of Dr Clouston and his architect Sydney Mitchell's outstanding architectural contribution to Scotland's heritage secured with a minimum of intervention required, for future generations to continue to enjoy the exceptional qualities of Edinburgh's seventh hill.

We **strongly object** to these proposals, and any other forthcoming proposals, to build on this estate.

Yours sincerely



Marion Williams