

Five things you need to know today



Instameet Edinburgh – Save Craighouse – Women’s Rugby today – Chinese New Year – Self assessment

If you use Instagram then you should jump out of bed now and get along to the National Museum of Scotland where Michael McLedo from STV is convening an Instagram meet beginning at 10.00am.

The hashtag is #instameetEdinburgh or #instameet and it is part of a worldwide weekend of instagramming. The idea is to take lots of photos of the museum and put these up on Instagram using the hashtag so that they can be collated. It sounds like a lot of fun!

More details [here](#)

There is a second planning application for new build at Craighouse and the deadline for objecting to this Phase 2 application according to Friends of Craighouse is 16 January. You can read all about the way to object to the planning application [here](#). The details of the application are [here](#) on the council website and finally here is a video which the Friends have made to highlight their concerns.

The land at Craighouse was sold by Edinburgh Napier University to developers Mountgrange for around £10m some time ago and the former hospital buildings are now lying empty pending redevelopment.

Councillor Gavin Corbett has been keeping a close eye on the

plans for this important site. He writes:-

After a year of waiting, and almost 1200 objections, the developers, the Craighouse Partnership, have submitted a revised set of proposals – so-called scheme 2 proposals. Once again, they are out to [consultation](#) over the Christmas and New Year period, with the closing date of 16 January.

Has it been worth the wait? Has the year been used to produce proposals which are more palatable? Critically, has the developer been able to demonstrate that the minimum possible quantity of new-build is recommended to offset the higher costs of renovating and maintaining the cluster of grade A-listed buildings which are one of the defining characteristics of the site?

There are some significant changes. Gone is the mooted 8 storey tower at the apex of the site to be replaced with a shorter, but fatter, building. The area of sloping lawn known as the orchard sees less development on and around it. And there's other changes which pay due and welcome heed to public feedback although, at times, somewhat grudgingly.

But there is still an awful lot of new development planned – 125 new homes, rather than the 89 previously planned. That means almost twice as many new homes as the number of dwellings (64) being created from the existing 16th-19th century properties. Is that consistent with being the minimum necessary? And many of these new homes are contained within two rather monolithic blocks near the main entrance at Craighouse Road, to my eye, hemming in what is, at the moment, a very open-feeling landscape.

But perhaps the most interesting part of the new plans is the financial calculations set in out in the case for “enabling development”. It is very commendable of the Craighouse Partnership to have agreed to publish this level of detail. In essence, the document shows that renovating the buildings

alone can turn a profit of £1.2 million; adding the new build brings that profit up to over £17 million or 18% of scheme costs. But, the developers will argue, those figures are only true if the actual price paid for the land (in effect, £13 million) is discounted to £4.7 million – an estimate of current value if parcelled up and sold off.

So there are two fundamental points which emerge from this. The first is that the developers have way over-paid for the land. At the time of the land being sold bidders presumably took a risk that they would be able to update a 10 year old consent to develop the site for educational purposes into a new consent to develop it for private housing, to a similar level. Based on what we know now it would have been more reasonable for would-be developers to go to Napier University (the former owners) and say, “look, this site, in market value terms, is essentially a liability, you should be paying us to take it off your hands.” Certainly, a low or zero land value would have been merited. Anyway, that risk was taken. Whether that is a reasonable risk or not is in the eye of the beholder but it cannot be the job of the planning system to cover that risk. After all, where would that stop? What if someone had paid £25 million? £30 million? If planning decisions were expected to cover all such risks, it would simply encourage even more reckless land values and we have seen how disastrous that has been for the UK economy in the last five years.

So, as far as purchase price goes, the developers have gambled – and lost. That’s what gambling means. And that leads to the second point. Development in a commercial market is a risky business. The greater the risk the higher the return needed. That is why a modest profit of £1.2 million is argued to be insufficient and a profit of £17 million (18%) is needed before investors will stick their hands in their pockets. I am told that 20% is an industry standard.

This feels to me like very very difficult territory for a planning authority. Planning is about assessing the acceptability of a physical development in relation to the location and the policy context set by the Council through the Local Plan and other policies. From that point of view, there is little prospect of new development being permissible at Craighouse, or at least to any significant level. In essence, the developer is asking for these protections to be set aside to allow new development to produce a scheme which financiers, within the context of a high risk-high return market, will back. That puts the planning authority not only as arbiter of reasonable profit, but making judgements about market models.

All of that is for March, when the planning hearing into the Craighouse development is expected to take place. For now, I'd urge everyone who cares about Craighouse, whatever your views, to respond by 16 January – how to do this is set out in a [letter](#) to residents from me and Green MSP Alison Johnstone.

Broughton Women's rugby team are at home to Oban Lorne today and the kick off is at 2.00pm at Granton Road. Details of how to get to the match [here](#).

To mark Chinese New Year later this month larger than life lanterns which have been inspired by the terracotta warriors will be installed in the Old College Quad from 29 January to 7 February. Entry will be free. More details [here](#).

You still have a couple of weeks before submitting your self

assessment tax return to HMRC but in case you need help they have published a wee video giving you the answers to some questions you might have...