



# **Stonehaven Sheriff Court Building Feasibility Study and Business Plan**

## **1. Purpose**

This is the third of a series of documents setting out the decisions that need to be made to set up a successful project for the recreation of the Stonehaven Court Building.

Its purpose is to set down the objectives, methods, financial details and other supporting information that the Stonehaven Town Partnership (STP) Trustees and funding agencies require in order to appraise and hopefully support the various decisions that make up those required for the approval of the project to re-create the Stonehaven Court Building.

Details and plans of the Court Building are shown in Appendix 1.

## **2. Executive summary**

This report sets out the details of the steps in the Feasibility Study of the Stonehaven Court Building.

The work started in the Autumn of 2014 and the early work has already been reported. Once funding was secured, the historical context and the current state of the building were documented and this led to a refinement of the options, and the three sections of the building identified.

Discussions were then able to start with potential tenants, and some marketing data was obtained (shown in Section 5), resulting in the current plan, set out in Section 4. Section 5 also contains the results of the two Open Days held in December 2015.

Because the governance of the eventual operations is a key issue, details of the research so far are set out (in Section 6). The current version of the financial appraisal is given in Section 7, showing that, on current estimates, the eventual operations should create a surplus, which would suggest that the Court Building could be a sustainable and profitable project.

The overall conclusion is that the transfer of the building to a community ownership is feasible. This report then sets out recommendations and conclusions (which are summarised in Section 11) which are required to take the project forward.

## **3. Introduction**

### **3.1. Summary of the project**

In May 2014, the Scottish Courts and Tribunal Service (SCTS) closed the Sheriff Court and the Justices of the Peace Court in Stonehaven. The building that was used for this now stands empty. Physically, the building is joined to the Stonehaven Police Station which is still operational, although there is a complete separation of the two functions, and only one internal (secured) door between

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a company limited by Guarantee, registered in Scotland No: SC 320516 and Scottish Charitable Incorporated Organisation No.: SC044314  
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the two functions. The building is Grade B listed, and presents an imposing frontage onto one end of the main street through Stonehaven.

This project is designed to establish whether or not it is feasible to acquire the building on behalf of the Stonehaven community, and to convert it in general for community use. Taking responsibility for such a large and historically and architecturally important building is a significant risk for STP. However, it does fall squarely into STP's objectives (see 3.4 below). It is therefore important that the STP Trustees (and the community as a whole) understand the factors that contribute to the final decision.

### **3.2. Why is the project needed?**

Following consultation, a number of options have been put forward for the community use of the building. None of these options present a risk-free or obvious choice. It is therefore an appropriate next stage to consider the feasibility of all the options, and the set out the grounds on which the decision is being made.

If the building is not used for community purposes, the alternative uses to which the building might be put would be dependent on a developer's assessment of (and financial commitment to) such a project, and whether the building could be converted into flats, commercial uses, or even demolished for another development. From STP's community engagement, none of these outcomes is favoured by the community.

### **3.3. The expected benefits**

The prime benefit of the project is that a robust, sustainable business plan will be created, upon which an informed decision about the future of the building in community use can be based.

Secondary benefits are that:

- 3.3.1. the supporting benefits and documentation for grant applications in the future will be created
- 3.3.2. a comprehensive historical record of the building will be available to guide any future developments and changes
- 3.3.3. the evidence of community support will be documented
- 3.3.4. risks will have been identified, and actions proposed to minimise these risks

### **3.4. Information about STP**

The project team for the Court building consists of 3 Trustees of STP together with STP's Project Development Officer. The team has sought professional advice from a number of sources including:

- The Princes Regeneration Trust
- The Architectural Heritage Foundation
- The Heritage Place
- The Consultation Institute

It is supplemented by a local architect's practice and a local accountancy firm.

STP is a voluntary charitable body (SCIO no. SC044314) covering the Stonehaven area, whose objectives are (in paraphrase) the facilitation of improvements and developments in the town and surrounding area. Its members are some 55 local organisations and clubs who make Stonehaven a vibrant community. STP already has a track record of successful regeneration of facilities previously run by Aberdeenshire Council and a number of other projects. It has been in existence for 8 years. STP is a member of the Development Trusts Association of Scotland.

## 4. Options summary

### 4.1. The process of option appraisal so far

The full set of the original suggestions for the community use (which were the result of two public consultations in late 2014/early 2015) are set out in Paper "[Option Appraisal v2\\_150112.pdf](#)" (all papers are available on STP's web site at [www.stpweb.org](http://www.stpweb.org)). Some of these suggestions involved other agencies, and significant capital expenditure. These agencies were contacted, and a thorough appraisal concluded with them. In the end, there were various sound reasons why the suggestions could not be taken forward, and these discussions are recorded in Paper "[Reduction of Options 150323 final .pdf](#)".

This work means that we are left with

- Option A.** Using the building as it stands (with whatever alterations might be needed and which will meet planning requirements)
- Option B.** Radically altering the internal layout to meet some other purpose.

### 4.2. Refining the current options

The second of these options above has not been pursued, primarily because no obvious 'other purpose' has been suggested which might justify the development cost and satisfy the stipulations of Historic Scotland to preserve the significant history of the building.

The other consideration that came into play at this stage was about the operational management of the building. If the building is going to be tenanted by a one or more organisations but still with the expectation that the public can freely come into the building, there are various tasks which need to be done on a regular basis. Once the building is refurbished and made operational, these tasks include:

- Opening, closing and securing the building
- Noting instances where repair or maintenance is required and organising visits by repair personnel
- Arranging supplies for the common facilities in the building
- Receiving rental payments and paying any bills associated with the maintenance of the building
- Advertising for and agreeing arrangements with new tenants and/or short term hirers
- Managing any reception facilities that are agreed

Whether or not such tasks are organised by a tenant or by some stand-alone arrangement is a matter for later negotiation. However, STP could not afford to have a building untenanted for a period while major changes were being planned and implemented. There has to be a plan for the building to be ready during 2016 as STP negotiates with the SCTS for the building's takeover. The SCTS are looking to dispose of the building earlier rather than later. (see Sec 10)

### 4.3. Options now left, within the current building arrangement

Examining the existing building, we have considered it in three sections

- Section one consists of the 11 spacious rooms of the front of the building marked in blue on the plans in Appendix 1
- Section two consists of the Court Room No1, which is still set out as a courtroom, and contains a number of listed items

- Section three consists of a number of rooms (mainly small and low-ceilinged) on the ground floor at the rear (not coloured on the plans in Appendix 1). This is the oldest part of the building, and the least easy to see how to use profitably

#### 4.4. Section One - the front rooms

##### 4.4.1. Options

All these rooms (marked A to K on the plans shown in Appendix 1) are suitable for almost any type of office work, display or sales activity. The options that have been considered are:

- Option C.** Trying to find one tenant for the whole section
- Option D.** Having one major tenant taking a number of rooms
- Option E.** Letting rooms more or less individually

##### 4.4.2. Discussion

One key aspect is that the risks increase if the tenant(s) are unwilling to commit to a reasonably long term, e.g. 10 years. If that were the case, STP would have to factor in a large 'unoccupied' ratio, and that would raise the required rental rate, perhaps beyond what the market would bear.

Whilst we haven't yet actually marketed the property, it is reasonable to assume that finding one long-term tenant willing to take to whole usable space is considered unlikely.

At the opposite end of the spectrum, finding a significant number of 'small tenants' but who are nonetheless willing to commit to a longer term is also felt unlikely.

##### 4.4.3. Recommendation

Therefore, **the pattern that we recommend as the best option is Option D** - to seek one larger tenant who is willing both to a) take a substantial part of the whole space (say, 2,000 sq. ft. out of the 3,050 available) and who is willing to commit to a significant number of years. We can then offer the remaining rooms on a more flexible basis.

#### 4.5. Section Two

##### 4.5.1. Options

The Court Room No 1 is a large room (about 108 sq. m.) much of whose contents and decoration is listed. There are some smaller rooms (D- the Jury Room and E - the Sherriff's chambers) which could be considered 'en-suite' with the Court Room. The three options that have been considered are:

- Option F.** Seeking permission to remove most of the fittings (the judge's bench, witness stand, jury seating, dock, and public benches) to leave a clear area for functions. The room has a very pleasing ambience for this purpose
- Option G.** Leaving the room more or less as is, and using it for a range of activities including mock trials for educational purposes, debates, committee meetings, tribunal/inquiry hearings, weddings, cinema, conference facility or as a film set.
- Option H.** Using the court room for some of Option G ideas but also as a museum.

##### 4.5.2. Discussion

The strengths of Option F are that it utilises the ambience and the good state of décor of the historical building to create a rather unique setting for a function. This option might allow for larger

hire charges. However, it is argued (in the absence of any marketing data) that it might be difficult to get a high rate of occupancy. There is a shortage of function space in Stonehaven, but perhaps not so much that would cause the court room to be fully let out. The other factors which might be critical is that the court room does not have an easy entrance route, and car parking near the Court Building is extremely limited. For example, if there was a function with, say, 30 vehicles bringing the guests, it is almost certain that congestion would occur in the High Street/Bridgefield/Dunnottar Avenue junction area.

On the other hand, Option G does seem to give greater chances of the room being occupied both during the weekdays and in the evenings and weekends. Some enquiries have been made, and the Cash Flow Plan (see Section 7) reflects this market information. It would avoid much alteration to the court room - although some changes are likely to be proposed.

One important initial deduction from the Cash Flow Plan is that it would appear that the court room is the biggest single source of income for the project. This would suggest that policies (e.g. focus of marketing, other room availability) should be subservient to the maximisation of occupancy of the court room.

At present, Option H has some difficulties.

First, there are no exact plans that have been found of the court furniture as it was before the current layout was created in recent times, so we don't know exactly what changes to reverse or to keep. If it were to be a museum, it is felt very likely that some of the other functions for the room (e.g. as a film set) would be compromised.

Secondly, it would appear to be rather disjointed to have a museum whose opening hours were interrupted by closures to accommodate fee-paying bookings.

So, for Option H, we come to the conclusion that the potential benefits do not outweigh potential costs and difficulties. If space was required for museum-type displays, then there are other rooms that could be allocated for this without the significant potential loss of income for hiring out Court Room No .1

#### 4.5.3. Recommendation

The **recommendation is that Option G represents the greatest** chance of a substantial income, and also lowest risk of a dependence on one source of income.

### 4.6. Section Three

#### 4.6.1. Options

The collection of rooms in this section are three former jail cells and two record rooms. One jail cell houses the central boiler in the centre of the room. None of the jails cells have any windows. The record rooms are equipped with heavy metal doors, and only one small window each. So good lighting will have to be provided.

The options suggested are:

**Option I.** A visitor centre arrangement, not only explaining the rooms themselves, but an opportunity to educate visitors about the considerable history of justice in Kincardineshire.

**Option J.** Let out the rooms for use the rooms as storage

**Option K.** Equip the rooms for short-term uses, such as craft workplaces, short meetings, etc.

#### 4.6.2. Discussion

At present, and until some of the figures relating to the tenancy income and requirements of the rest of the building are more firm, all these options are possible. All of these ideas have some degree of support from within the community, but we have no measure of the level of real demand (and real and continuing income) that will emerge.

The Option J (storage) would require minimal work on the rooms concerned. The Option I and K would require a better level of finishing to any refurbishment, but it is estimated that the costs of this would not be particularly significant.

It is always possible that some of these uses are interchangeable over time, and therefore the best strategy would be to make the rooms pleasant to use, and then offer them without any particular restriction on the use.

One downside from such a strategy is that any 'branding' of the whole building would not be obvious from the start, and would have to wait until the majority of spaces were occupied.

#### 4.6.3. Recommendation

It is recommended that **for Section Three rooms, the plan should include refurbishing them to a reasonable standard, and offering them without any further fixtures and fittings for a range of uses**, and then see what offers are forthcoming.

### 4.7. Summary

It is clear from this analysis that the building would achieve the aim of being sustainable if it is offered as a multi-purpose building, with one anchor tenant, some other individually tenanted spaces, and a number of public or semi-public spaces. This is the recommended option.

## 5. Market research

### 5.1. Market research relevant to Section One

#### 5.1.1. Tenants

Throughout the last twelve months, conversations have been held with a number of local community organisations, and various statements of interest have been expressed. The following organisations have taken the discussions to the point where they have sent STP a written expression of interest in occupying the building.

- Citizens Advice Bureau
- Aberdeenshire Voluntary Action
- PAMIS
- Kincardine Development Partnership

Other organisations will be followed up to see whether they wish to join in. Following that, STP will be in a position to draw up any plans for the alterations of the building and/or its refurbishment. This will allow negotiations to progress to the stage where a specific commitment can be made.

#### 5.1.2. Rental Value

We have researched the local market for commercial properties, and the quoted rates for rented office space vary from £12.70 up beyond £30.00 per sq. ft. per annum. A site in Stonehaven with similar facilities is on the market at £15.10. We have use the figure of £15.00 for the Cash Flow Plan.

### 5.2. Market research relevant to Section Two

#### 5.2.1. Tenants

We are aware from other activities that finding space for the activities suggested for Section Two in the Stonehaven area is currently sometimes problematical.

We are in discussion with sources of some of the activities to consider bookings starting in the 2016/2017 academic year.

Aberdeenshire Council has a function whose task is to bring filming activities into the area, and they are confident that some bookings can be made. Discussions continue with them, and an agency who could promote the building.

#### 5.2.2. Rental Value

The estimated rental value is based on the known level of charges published by other facilities in Aberdeenshire and locally in Stonehaven.

### 5.3. Market research relevant to Section Three

#### 5.3.1. Tenants

Some suggestions have been received about using these rooms storage (e.g. from the RNLI and the local Flood Action Group), and a rental has been suggested, but no specific negotiations have been made. The fact that the building is very central, and the rooms are secure are attractions, and it is known that available storage is limited in the centre of the town.

As far as other tenancies are concerned (e.g. craft workshops), no market research has been undertaken yet, although much positive comment was made in this area at the Open Days.

## 5.4. Reaction of the local community

### 5.4.1. Method

As a result of many replies that people could not give us their view of the future of the building because they had never been inside it, we organised two Open Days (on Friday 4th Dec 2015 and Saturday 12th December 2015) during which some 523 people were counted as attending. This is probably an under-estimate, as some children did not take a questionnaire (our method of counting), and we ran out of questionnaires toward the end.

We provided a number of 'storyboards' (shown in Appendix 4), to inform people, and STP members were on hand to answer questions and discuss the situation. People were encouraged to circulate throughout the building, and enjoy a number of activities laid on, including a mock trial courtesy of Mackie Academy (presided over by a qualified sheriff), a fun competition, music and an art show.

The main questions are what people preferred to happen to the building, and what uses they foresaw being required in Stonehaven.

### 5.4.2. Overview of what the community would like

We asked for preferences as to the future of the building. 117 people (approx.. 24% of those arriving) completed the questionnaire. 73.5% gave 'Community organisations for public benefit' as their first preference, and further 12.8% gave that option as their second choice. None of the other options, namely

- Commercial offices
- Other commercial use (e.g. shops, hotel)
- Conversion to flats
- Left empty
- Other ... (please specify below)

received more than 11% as first preference, and there were 66 entries under the 'other' category, mainly making more detailed suggestions under the 'community organisation' category.

So it is clear that the current plans have the support of a significant majority of the local population.

### 5.4.3. Suggestions for use

Although STP's current plans are based on previous community soundings, we offered space for people to make further suggestions, or re-inforce our ideas. Not surprisingly, the overall view coincided with the plans set out above, but there are a number of new ideas to add into the possible mix.

A few ideas that were suggested are not compatible with STP's current proposals. These include

- Car park – involves demolition
- Use by Dunnottar School - already ruled out in discussion with Aberdeenshire Council
- Weatherspoons / Luxury Hotel / Boutique Hotel- would be commercial uses
- A Kidney Dialysis unit – one is already under discussion for the local Kincardine Community Hospital
- Tourist Information office – currently ruled out by Visit Scotland as they already have premises at no charge
- Youth hostel – catering/toilet/washing facilities would require extensive upgrade work
- Museum – as discussed above at 4.2.5



Otherwise, the specific ideas recorded at the Open Days include:

art showroom	clinic/therapy space	creative hub	shops
café	conference centre	function rooms	Sports Hall
church	council offices	music venue	weddings
cinema	crafts	meeting rooms	workshops
bingo hall	pop-up shops	nursery	youth room
theatre		school	hot desks

Most of these are not incompatible with the ideas planned at present, and are not mutually exclusive. A number of respondents point out that similar current facilities in Stonehaven are often fully booked. Some more work is required to explore these ideas, validate their likelihood of coming to fruition, and calculating any significant change in the contribution they might bring to building.

There were virtually no suggestions that implied that there would be objections to the current plans.

#### 5.4.4. Conclusion

**The results show conclusively that the community wishes the current plans to proceed, and indeed be expanded slightly. They want the building preserved more or less in its current form, and above all to be used to the benefit of as many of the local population as possible.**

## 6. Governance and Management

### 6.1. How should the governance of future the operations of the court building be set up and managed

#### 6.1.1. Options

A number of options covering Governance and Management have been set out. The legal issues involved are shown underneath each one.

**Option L.** Within STP without separate organisation

**Option M.** Company limited by guarantee (CLG) within STP

- Separate legal entity – distinct from its members and directors
- Limited liability – members undertake to pay specified “guarantee” amount if company is wound up and assets are insufficient to meet liabilities – generally £1.00
- No issue of shares or payment of dividends
- Non-profit distributing – profits used to further company’s aims
- CLG may register as a charity
- CLG was the model of choice in Scotland prior to the introduction of SCIOs (see below)

**Option N.** Independent Company limited by guarantee

- As above, but separate from STP

**Option O.** Community Interest Company

- CIC may be a company limited by guarantee (CLG) or by shares (CLS)
- Designed for social or community enterprises
- “Half way house” between CLG and the common commercial company limited by shares
- Must benefit a specific, defined “community” – Satisfy a “community interest test” – both at incorporation and on an ongoing basis
- Asset lock - CIC cannot transfer its assets (including any profits or other surpluses generated by its activities) for less than market value unless transferring them to another CIC or charity (that is either specified in its or articles or consented to by the Regulator) or if the transfer is for the benefit of the community it was set up to serve
- Dividend cap – maximum aggregate dividend of 35% of distributable profits
- Annual community interest report (in addition to standard annual report)
- CIC Regulator
- CIC cannot register as a charity (but may convert)

**Option P.** SCIO – a new legal form available solely to charities registered in Scotland

- OSCR is regulator, not Companies House
- Separate legal entity
- Limited liability for members / charity trustees
- Wholly dependent upon charitable status – ceases to exist if removed from charity register
- Cannot be restored to register

There are other possible options (e.g. Community Shares), but at present we do not have sufficient information to evaluate them.

Note:- This advice is taken from a Prince’s Regeneration Trust presentation, with thanks

Note:- Charitable status is governed by OSCR rules in Scotland

### 6.1.2. Discussion

STP take the view that it would not be wise for the governance of the building to be directly in its own hands, as in Option L. The reason is the risk that, should the building's finances run into problems, STP does not have the resources to consider any support. So at the very least, the Court Building's financial operations need to be in a separate company.

If a totally independent company was set up, this risk would be avoided. However, one consequence of this is that another set of people would need to be recruited to act as Directors/Trustees of the separate organisation. There is a limited pool of people in Stonehaven willing and sufficiently experienced to undertake this task, and efforts will need to be made to make the recruitment successful.

However, there is one viable option which avoids both these risks, and that is having a separate legal company, wholly owned by STP, and with the bulk of the Directors drawn from the Trustees of STP.

### 6.1.3. Recommendation

At present, our favoured option is a Company Limited by Guarantee wholly owned by STP. However, there are a number of consequences of this recommendation. There may also be other factors that have not yet been considered. It is therefore recommended that **STP seek professional advice** (which we have not had so far) to determine the best governance option. A number of bodies offer this service including the Scottish Building Preservation Trust, the Development Trust Association Scotland or Business Gateway.

## 6.2. Governance of STP

### 6.2.1. Constitutional arrangements

STP was created as a Company limited by guarantee in 2007, and converted to a SCIO in 2014. Its membership is open to any organisations with a presence in the Stonehaven area (as defined by postcode list) and at present some 55 organisations are members. They elect at the AGM up to 12 Trustees who manage the organisation on a day to day basis. They are all volunteers.

Funding is by way of some income from the rental on the Caravan Park (which STP took a lease from Aberdeenshire Council), grant funding from various sources, the largest of which is the EU Coastal Communities Fund, and some minor fund-raising. All the relevant documents are available on STP's website at [www.stpweb.org](http://www.stpweb.org).

### 6.2.2. Trustee biographies and skills

STP currently has 8 Trustees, all of whom are volunteers:

David Fleming  
Andrew Newton  
John Robson

Michelle Ward  
Elizabeth Havens  
Jim Stephens

William Allan  
James Douglas

and employs a full time Project Coordinator, Isabel Munn.

Full details and c.v.'s are shown in Appendix 5.

## 7. Financial appraisal

### 7.1. Project Plan for the transition

The current financial plan is as follows. From the date of approval by STP Board (provisionally 5<sup>th</sup> Jan 2016), STP will have to undertake a number of tasks in preparing for the handover of the completed building to tenants. These are

- Preparation of plans for building alterations and refurbishment
- Writing of Tenders for the above
- Estimating the Cost of contract
- Tendering process and appointment of Contractor
- Writing and agreeing of the disposition from SCTS
- Writing and agreeing of leases with tenant(s)
- Advice and decision on governance
- Setting up of Operational Company
- Project Management of all the above (including risk management)
- Obtaining funding for all of the above

It is expected that all these activities will involve professional assistance, and the funding for this will be sought starting in January 2016. Obtaining this funding is the most urgent task.

It is expected that the SCTS will continue to pay the building utilities costs up until the date that the contractor takes over the site. It is expected that the contractor will pay for the building utilities whilst the building is a building site under his control.

On the day of handover, the Operation Company will start to pay the utilities costs, but will also gain the income from the tenancies. It is this latter phase to which the cash flow projections (shown in Appendix 3) refers.

### 7.2. Operational Cash Flow

A draft cash flow projection for the occupied building is shown in Appendix 3.

It shows that it should be possible to create a surplus running from £8,600 inflating to £11,200 over 10 years.

The assumptions that have been made (for the moment are:

- The Operating Company will not VAT registered
- All capital costs will be covered by grants and/or external funding
- Ancillary services (e.g. catering supply) have not been included, as it is assumed they will be provided either commercially or at cost

More work needs to be done to ensure the robustness of this forecast.

## 8. Impact assessment

### 8.1. Economic impact

Having an empty building at a key point in the geography of a town is never a good advertisement for the economic health of the town. So, returning the Court Building to a useful, economically productive function is bound to improve the outlook of the town.

It will add to the available space for community activities, some of which are income generating, and some of which are supportive to community activity. Furthermore, by relocating some community activities to the Court Building, the buildings they currently occupy will be made available for other activities.

It is generally believed that, in Stonehaven, there are comparatively very few buildings not productively occupied. Certainly, in the retail sector, the level of occupancy is very high, with fewer than 5 of the 140 or so premises vacant at present, and re-occupancy of vacated premises takes place quickly.

### 8.2. Environmental impact

At present, whilst the building is empty, it does not present any particular environmental problems. The site is tightly bounded by other occupied buildings, and the roads surrounding the building are well used.

The main environmental issue with any proposed future use is the parking space. The site will only allow some 4 cars to be parked within its curtilage (although there is a shared lane on the west boundary, currently used by the police for employee parking).

This may mean that a potential tenant may not choose to occupy because they cannot be allocated any parking space.

The other issue is that the two entrances (the main entrance on the front façade, and a small door on the west elevation) provide only limited facilities for loading /unloading large objects. This may be an issue for any tenant wanting to use the storage space in the building.

## 9. Risk register

It is the intention that a risk register is drawn up as an early part of the project management of the next phase.

The prime risk that has been identified so far is that of the viability and sustainability of any plans. The risk is that, for whatever reason, it turns out that the building does not arrive at a surplus within a reasonable time after the start date. This risk would be the greatest one faced by STP. It is therefore crucial that the mitigation measures (which should form a 'Plan B' part of the Project Plan) do not impact on STP as a whole. For this reason, establishing the most appropriate governance structure is of crucial importance.

## 10. Project Plan

This section describes the manner in which the transition between the current state (i.e. STCS owning and managing the empty building) to the final steady state (i.e. a settled portfolio of tenants and other income streams making the building self-sustaining).

### **10.1. Stage 1 – Project Planning**

Since the changeover expected involves a considerable number of separate but interlocking actions, it is vital that professional project planning takes place, and that a project management system is established. This stage may well require the employment of a professional project manager.

This stage will also contain the tasks of ensuring that the requisite funding is in place to complete the whole project. It will state what are the project's milestones, decision dates and critical path.

### **10.2. Stage 2 – Assemble permissions and documentation**

There are a number of documentations whose necessary completion will drive the project. These need to be specified and contracts set up to achieve their delivery. These documents include

10.2.1. Draft Disposition for the transfer of the building from STCS to STP

10.2.2. Draft leases for tenants

10.2.3. Draft Marketing arrangements for the various forms of short term hire

10.2.4. Tender for building preparation (building adaptations and repairs) including planned completion date.

10.2.5. Future building maintenance arrangements

10.2.6. Planning permissions (including Listed Building consent)

10.2.7. Governance arrangements

Once these documentations have been specified, it should be possible to appoint the contractor to undertake the building work, and then hand the building and its responsibilities over to them.

### **10.3. Stage 3 – Building Conversion**

This should include making the required changes to the satisfaction of all concerned, and full preparation for occupancy. It will also involve the preparation and conclusion of the various legal documents to effect the changeover.

### **10.4. Stage 4 – Handover and Inauguration**

This stage involves the formal handing over of the building from the building contractor (and any subsequent snagging activities), the formal formation of the governance body and the completion and registration of the disposition and lease documentation

### **10.5. Recommendation**

It is vital that all these activities are accurately managed, and to this end it is recommended that a **full project management arrangement is set up and financed.**

## **11. Conclusions and recommendations**

Having gone through a rigorous and re-iterative option appraisal process, it is concluded that a viable plan for the future of the Court Building as a centre for community activities is feasible. This is the option which the community whole-heartedly supports.

The plan is that there will be one 'anchor' tenant, and number of smaller tenants, primarily occupying the large rooms at the front of the building. This will require some minor changes to the building, refurbishment, but no major works or, it is believed, any significant alterations to the historic listing of the building. Indeed, the opportunity might be taken to restore some of the historical features which have been disrupted by works in the past.

The Court Room No1 will remain in its present configuration, and will be kitted out with the equipment to fulfil a number of uses, varying from committee meetings, tribunals, a film set, mock trials and debates, and similar functions.

The older, smaller rooms towards the rear of the building will be made available for craft workshops, storage, or other similar activities within the community.

The recommendations in this report are:

#### **11.1. Anchor tenant (para 4.4.3)**

The pattern that we recommend as the best option is Option D - to seek one larger tenant who is willing both to a) take a substantial part of the whole space (say, 2,000 sq. ft. out of the 3,050 available) and who is willing to commit to a significant number of years. We can then offer the remaining rooms on a more flexible basis.

#### **11.2. Multi-use, short-term hire of Court Room No. 1 (para 4.5.3)**

The recommendation is that Option G, the multi-use, short-term hire of Court Room No. 1 represents the greatest chance of a substantial income, and also lowest risk of a dependence on one source of income.

#### **11.3. Use of the smaller, older rooms (para 4.6.3)**

For Section Three rooms, the plan should include refurbishing them to a reasonable standard, and offering them without any further fixtures and fittings for a range of uses, and then see what offers are forthcoming.

#### **11.4. Use a Company limited by guarantee, within STP (para 6.1.3)**

At present, our favoured option is a Company Limited by Guarantee wholly owned by STP. However, there are a number of consequences of this recommendation. There may also be other factors that have not yet been considered. It is therefore recommended that STP seek professional advice (which we have not had so far) to determine the best governance option.

#### **11.5. Future Projects Management (para 10.5)**

It is vital that all these activities are accurately managed, and to this end it is recommended that a full project management arrangement is set up and financed.

#### **11.6. Next Steps (para 7.1)**

The project for transfer should contain the elements set out in paragraph 7.1 to achieve a complete transfer from SCTS to STP as soon as practicable.

## **12. Acknowledgements**

### **12.1. The Team**

The project team consists of Elizabeth Havens, John Robson and Isabel Munn, and they have worked tirelessly throughout the year to bring the project to this state of success.

### **12.2. Outside help**

We have received much sound advice from Susan O'Connor of the Princes' Regeneration Trust, and other professionals (Debbie Mays, Gary Black, David Jones).

### **12.3. SCTS**

We have had much co-operation from Linda Wright of the Scottish Courts and Tribunal Service in allowing free access to the building and in providing much information.

#### **12.4. Funding**

This work would not have been possible without the financial support of the Heritage Lottery Fund and the Architectural Heritage Fund.

David Fleming  
Trustee, Stonehaven Town Partnership

07 January 2016



# 13. Appendices

## Appendix 1 – Details and Plans of the Court Building

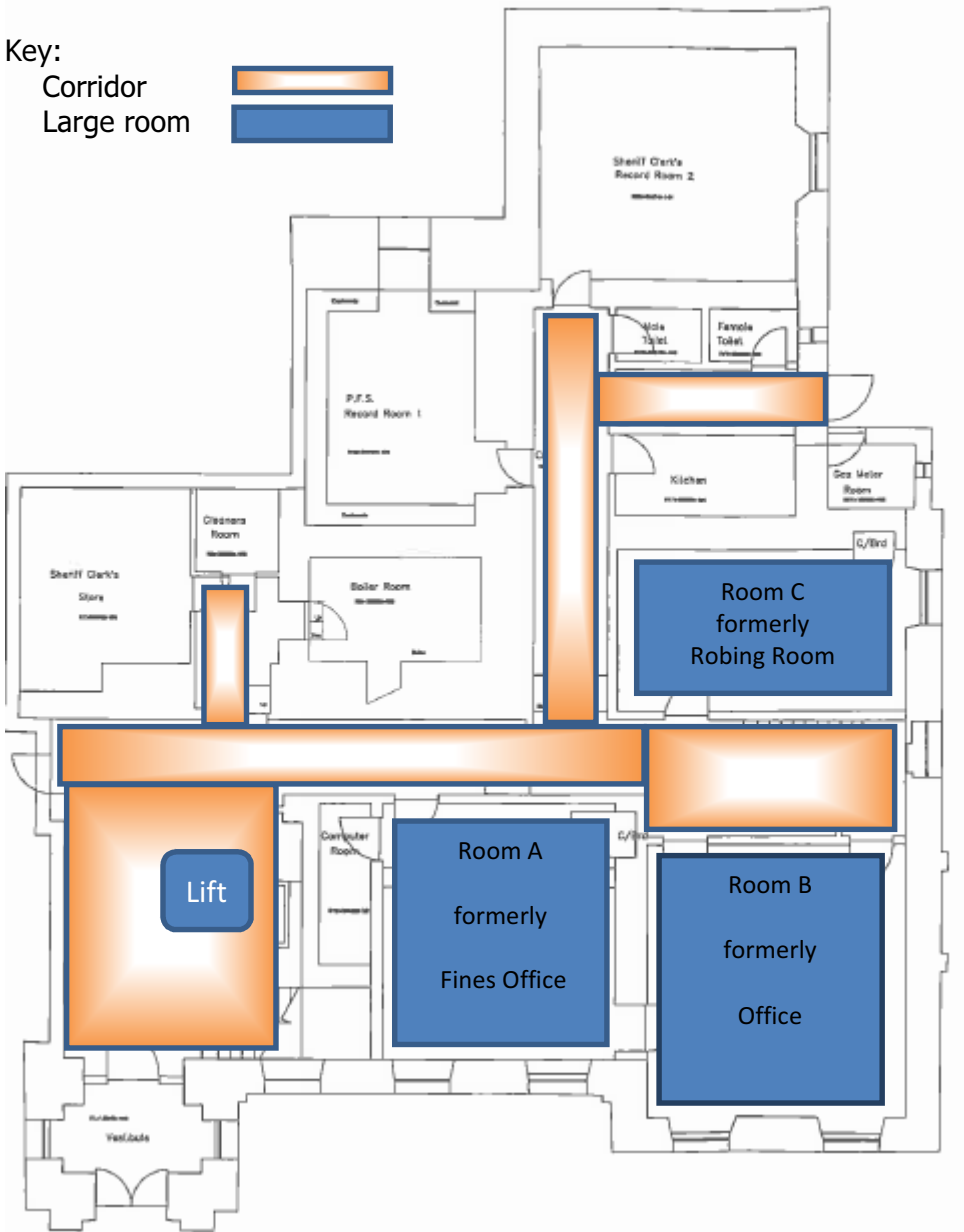
### Ground Floor

Key:

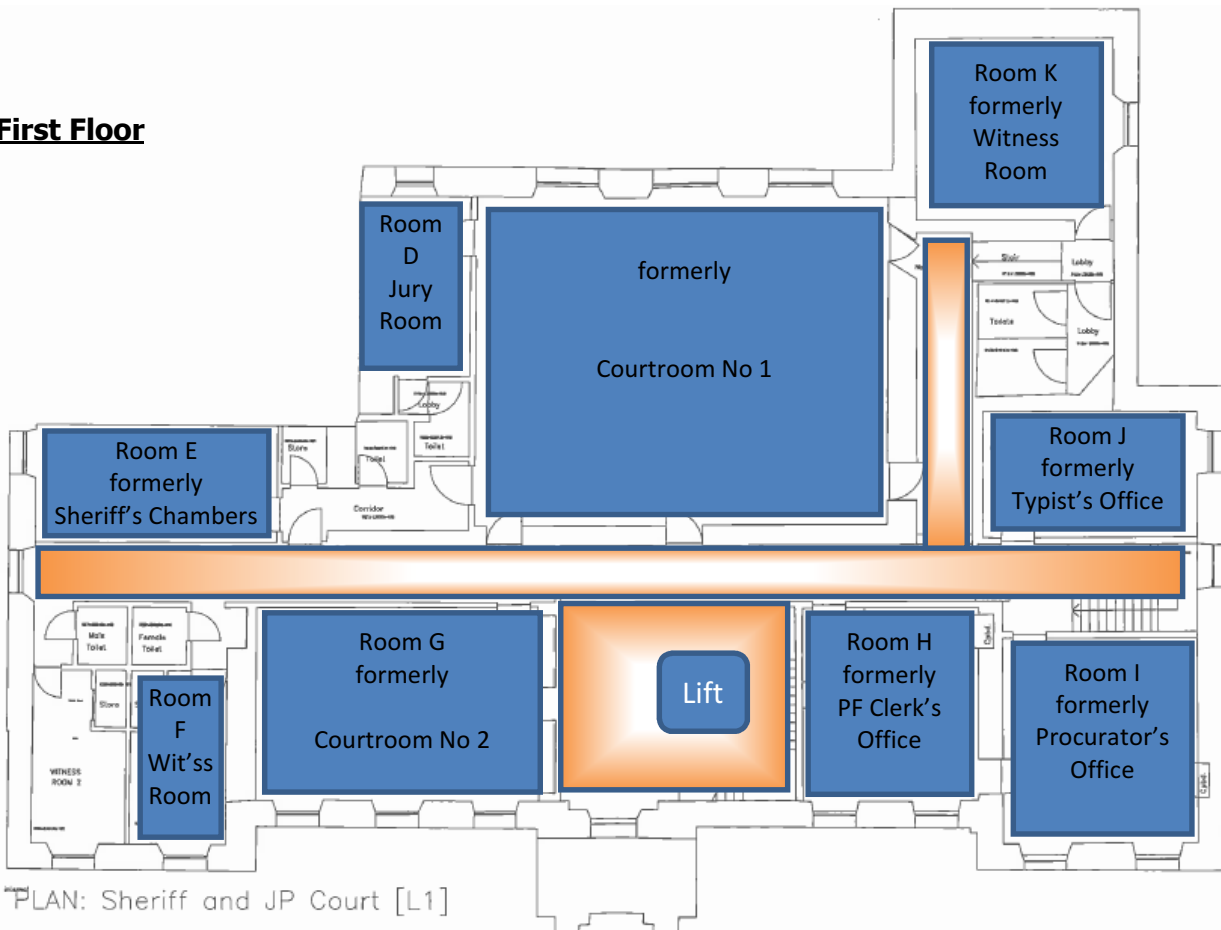
Corridor



Large room



**First Floor**



**Useful Room Inventory**

## Appendix 2 – Reports referred to in this report, or otherwise relevant

(all papers are available on STP's web site at [www.stpweb.org](http://www.stpweb.org) ).

### Option Appraisal v2 150112.pdf

This is the full set of the original suggestions for the community use (which were the result of two public consultations in late 2014/early 2015).

### Reduction of Options 150323 final .pdf

A thorough appraisal of the options which involved other agencies, and various sound reasons why the suggestions could not be taken forward.

### Progress Report to SCTS November 2015.doc

First report to the Estates Committee of the Scottish Courts and Tribunals Service, setting out the proposed timetable for the transfer.

### Team meeting notes

The project team met very regularly, and the notes of the meeting are posted on the web site.

### Technical Reports on the state of the Building (not on the web site)

We have received and/or commissioned a number of reports to reassure STP that the building is in a good state, and contains no significant faults requiring expensive repair. Copies of these reports are available on request.



## Appendix 3 – Financial Projections

<b>STP : SHERIFF COURT PROJECT</b>				Year 1	2	3	4	5	6	7	8	9	10	% OF		
				£	£	£	£	£	£	£	£	£	£	TOTAL		
<b>INCOME PROJECTIONS</b>			£ 15.00 /sq ft /annum	£ 5.00 per hour	£ 30.00 per hour											
	<b>Unoccupied:</b>		20%													
<b>TENANTED</b>	Sq ft	Sq m	Annual Rent													
<b>Ground floor</b>																
Room A	287	26.66	Fines Office	4,304	4,304	4,433	4,566	4,703	4,844	4,989	5,139	5,293	5,452	5,616	7.4%	
Room B	347	32.23	General Office	5,209	5,209	5,365	5,526	5,692	5,863	6,039	6,220	6,407	6,599	6,797	9.0%	
Room C	228	21.18	Robing Room	3,425	3,425	3,528	3,634	3,743	3,855	3,971	4,090	4,213	4,339	4,469	5.9%	
<b>First floor</b>																
Room D	179	16.66	Jury Room	2,685	2,685	2,766	2,849	2,934	3,022	3,113	3,206	3,302	3,401	3,503	4.6%	
Room E	243	22.57	Sheriffs Chambers	3,646	3,646	3,755	3,868	3,984	4,104	4,227	4,354	4,485	4,620	4,759	6.3%	
Room F	124	11.57	Waiting	1,860	1,860	1,916	1,973	2,032	2,093	2,156	2,221	2,288	2,357	2,428	3.2%	
Room G	493	45.80	Court No 2	7,390	7,390	7,612	7,840	8,075	8,317	8,567	8,824	9,089	9,362	9,643	12.7%	
Room H	263	24.45	PF Clerk	3,945	3,945	4,063	4,185	4,311	4,440	4,573	4,710	4,851	4,997	5,147	6.8%	
Room I	348	32.33	PF Office	5,215	5,215	5,371	5,532	5,698	5,869	6,045	6,226	6,413	6,605	6,803	9.0%	
Room J	233	21.64	Typists	3,491	3,491	3,596	3,704	3,815	3,929	4,047	4,168	4,293	4,422	4,555	6.0%	
Room K	313	29.07	Witness	4,695	4,695	4,836	4,981	5,130	5,284	5,443	5,606	5,774	5,947	6,125	8.1%	
	3058															
Less: provision for unoccupancy					-9,173	-9,448	-9,732	-10,023	-10,324	-10,634	-10,953	-11,282	-11,620	-11,969	-15.8%	
<b>TENANTING INCOME</b>					36,692	37,793	38,926	40,094	41,296	42,536	43,811	45,126	46,481	47,876	63.2%	
<b>HIRED</b>																
		hours per wk	weeks p.a.													
Jail (All 3 rooms)	25.77	10	26	1,300	1,300	1,339	1,379	1,420	1,463	1,507	1,552	1,599	1,647	1,696	2.2%	
Record rooms (both)	41.81	10	26	1,300	1,300	1,339	1,379	1,420	1,463	1,507	1,552	1,599	1,647	1,696	2.2%	
Courtroom 1	10.51	24	26	18,720	18,720	19,282	19,860	20,456	21,070	21,702	22,353	23,024	23,715	24,426	32.3%	
<b>HIRING INCOME</b>					21,320	21,960	22,618	23,296	23,996	24,716	25,457	26,222	27,009	27,818	36.8%	
<b>ANTICIPATED INCOME</b>					58,012	59,753	61,544	63,390	65,292	67,252	69,268	71,348	73,490	75,694	100.0%	
<b>EXPENDITURE PROJECTIONS</b>																
	Per SCS		Assume increased by:													
	2011/12		2012/13	2013/14	Average											
Building costs																
Water and sewerage	1,890		3,301	2,798	2,663	2,929	3,017	3,108	3,201	3,297	3,396	3,498	3,603	3,711	3,822	5.9%
Heat & Light - electric	3,301		4,800	3,812	3,971	4,368	4,499	4,634	4,773	4,916	5,063	5,215	5,371	5,532	5,698	8.8%
Heat & Light - gas	2,798		3,812	3,742	3,451	3,796	3,910	4,027	4,148	4,272	4,400	4,532	4,668	4,808	4,952	7.7%
Maintenance					32,800	36,080	37,162	38,277	39,425	40,608	41,826	43,081	44,373	45,704	47,075	73.1%
Insurance	per annum estimate				14,000	15,400	15,862	16,338	16,828	17,333	17,853	18,389	18,941	19,509	20,094	31.2%
Recoverd by charge to tenants					-62,573	-64,450	-66,384	-68,375	-70,426	-72,538	-74,715	-76,956	-79,264	-81,641	-126.7%	
Equivalent to -£20.46 per sq ft per annum paid by tenant, if they are liable																
Rates	48000 = RV															
<b>Staff costs</b>	Rate/hr		Hrs/wk													
Receptionist / caretak	12		54			33,696	34,707	35,748	36,820	37,925	39,063	40,235	41,442	42,685	43,966	68.2%
Cleaner (contract)	12		16			9,984	10,284	10,593	10,911	11,238	11,575	11,922	12,280	12,648	13,027	20.2%
<b>Business running costs</b>																
Phone & internet		say	200			200	206	212	218	225	232	239	246	253	261	0.4%
Marketing / publicity		say	5,000			5,000	5,150	5,305	5,464	5,628	5,797	5,971	6,150	6,335	6,525	10.1%
Corporate admin overheads		say	500			500	515	530	546	562	579	596	614	632	651	1.0%
<b>ANTICIPATED EXPENDITURE</b>					49,380	50,862	52,388	53,959	55,578	57,246	58,963	60,732	62,553	64,430	100.0%	
<b>ANTICIPATED SURPLUS / (DEFICIT)</b>					8,632	8,891	9,156	9,431	9,714	10,006	10,305	10,616	10,937	11,264	17.5%	

### Stonehaven Town Partnership

a company limited by Guarantee, registered in Scotland No: SC 320516 and Scottish Charitable Incorporated Organisation No.:SC044314  
Registered Office: c/o Connors, 50 Allardice Street, Stonehaven, AB39 2RA



## Appendix 4 – Storyboards

These were all sized at A1 with the exception of No 1 which was A2

### BOARD 1

## THE JAIL CELLS

The part you are now in is the oldest part of the Court Buildings, the original jail cells, built in 1779 (Figure 1 as below).

One of these rooms would have contained the Crank, the punishment wheel, now on display in the Tolbooth Museum at the Harbour, alongside the heavy doors to the cells.

The room currently housing the boiler has a staircase leading directly up into No 1 Court, and comes up where the dock used to be. It is covered in now, and the upper end is underneath the current witness stand. However, in its day, it would given real life expression to the phrase 'sending the prisoner down'.

By 1865, these cells were replaced by cells in the extensions to the south, and they became store rooms/coal cellars etc.

Supported by  
**The National Lottery**<sup>®</sup>  
through the Heritage Lottery Fund

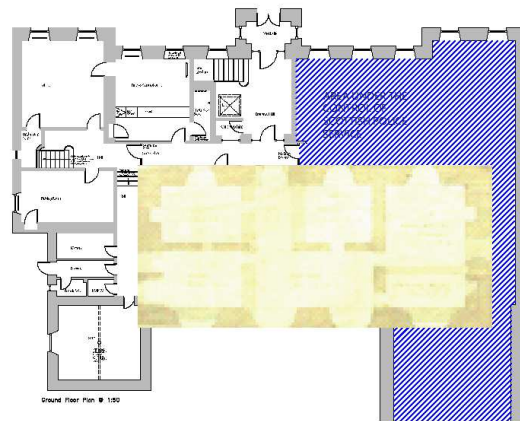


Figure 1

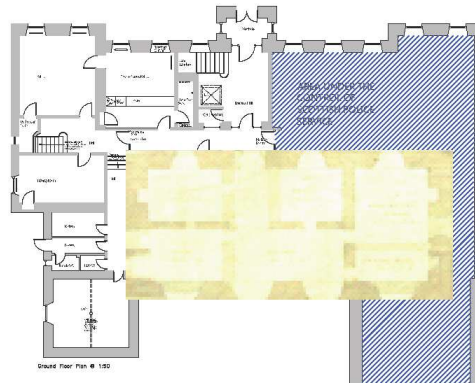


# THE HISTORY OF THE BUILDING



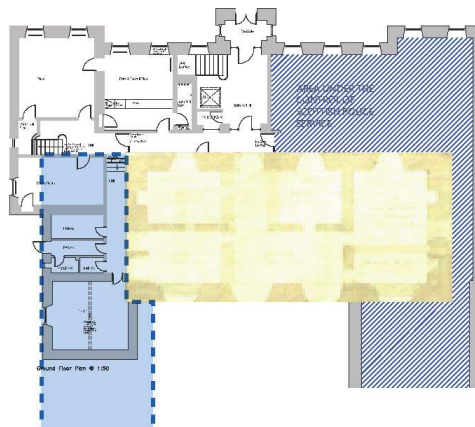
## 1779

New prison to replace the Tolbooth Building.  
 The location of the "court room", if there was one, is unknown.  
 Located on the edge of 'Old Town', and before the 'New Town' was started.



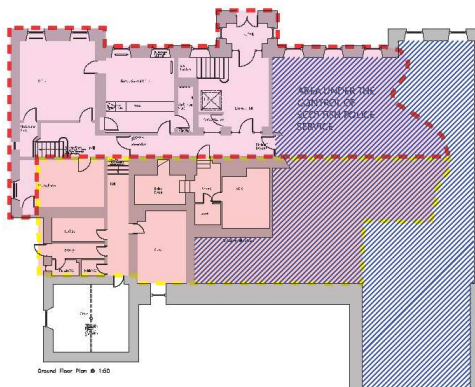
## 1820

Extensions to include more cells. Some were police cells and some were for the court.  
 No plans exist for these works, and a similar extension was built on the police side.  
 These building became known as the 'County Buildings', because their jurisdiction was for the whole of Kincardineshire, and they contained other offices such as 'Weights and Measures Inspectors', reflecting Stonehaven as a market town.



## 1865

Major changes in to court system throughout Scotland includes Stonehaven becoming the County seat of justice for Kincardineshire  
 Current frontage of the building built onto existing court – the exact boundary with the police building at the time is not known; it has been re-constructed since.  
 No.1 Court built. Note ceiling heights much greater than previous rooms.



## 1960

Police station upgraded. Old cell extension replaced by current extension, which included fewer cells (no longer in use) and more offices  
 Cells on SW corner of court (previously used for criminals during their trial) demolished to allow access to courtyard for police vehicles.





## WHAT WE CAN AND CANNOT DO

The Stonehaven Court Building (with the Police Station) is a Category B Listed Building.

This means that we have to gain the permission of Aberdeenshire Council Planning Authority and the newly formed Historic Environment Scotland before we can make any changes.

If the item is mentioned in the Listing (The List description is for site identification purposes only, both the internal, external and interiors are part of the building and are protected under listing). We have to take this significance into account in making any proposals. Listing is a mechanism designed to help manage change to listed buildings, so as to safeguard their special architectural or historic character, rather than preserve them in aspic.



### WHAT WE CANNOT DO

So we cannot make any changes without gaining approval. However, each year around 10% of listed buildings receive listed building consent for alterations.

We cannot make proposals for change

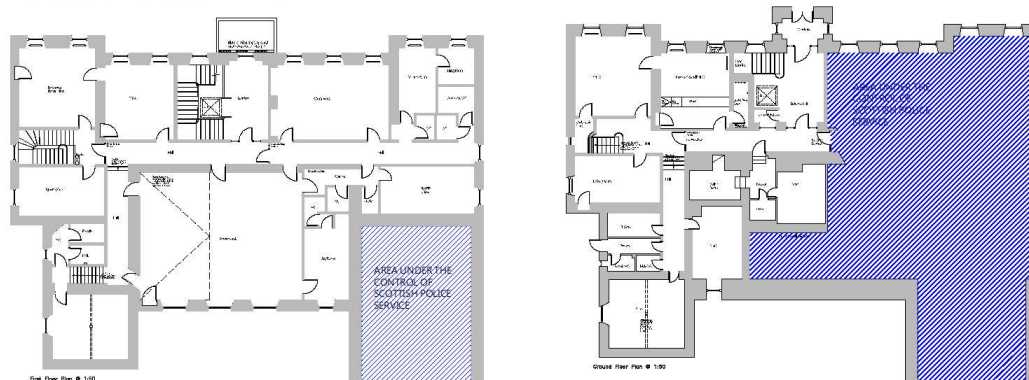
- a) without considering the historical significance of that part of the building
- b) without providing reasoned justification for proposed changes
- c) which involve removing historical parts of the building

### WHAT WE CAN DO

We can apply for approval if the change

- a) is a sympathetic adaptation of the building which results in the minimum intervention required to support a sustainable new use
- b) is made in a way that is sympathetic to the significance of the building as detailed in the Conservation Plan.
- c) is made in a way which would allow restoration of the building to its original state at a later date
- d) adheres to the policies as laid out in the Scottish Historic Environment Policies (SHEP) 2011 and Aberdeenshire Local Development Plan Policies

We have produced a Conservation Statement which details the history and significance of the building, so that we know the history, and can use that in informing and justifying proposed changes.



### Exterior of the building

Front block John Campbell Walker, 1863-5, incorporating late 18th century fabric at rear, with alterations and additions by John Smith, 1822. 2-storey and basement, 11-bay Renaissance court house with pinnacled pavilion-effect wings, balustraded parapet, dominant wallhead and ridge stacks, fine decorative ironwork brattishing and vaulted basement. E wing Police Station altered and extended later 20th century. Channelled ashlar at ground; polished ashlar, rubble and dry-dash. Base and band courses, mutilated eaves cornices and balustraded parapet. Round-arched openings at ground; some with keystones and voussours; lugged architraved openings at 1st floor. Porch with decoratively-capitalled granite columns, keystone, flanking pilasters and balustraded parapet.

**N (PRINCIPAL) ELEVATION:** projecting porch to centre bay at ground incorporating moulded, keystone doorway with 2-leaf panelled timber door and narrow light to each return, regular fenestration to remaining bays, outer 2 bays advanced. 1st floor as ground but with slightly advanced bay at centre.

**W ELEVATION:** 2 windows to each floor at right, and shouldered wallhead stack off-centre left.

**E (POLICE STATION) ELEVATION:** 2 windows to right of centre at ground flanking tiny square-headed light, timber door with semicircular plate glass fanlight in bay to left and further window beyond, these 2 bays with windows at 1st floor. Later 3-storey, 7-bay wing at outer left incorporating 2-leaf panelled timber door with sunburst-astragalled fanlight at right and 2 windows in bays immediately to left; remaining windows all square-headed.

Plate glass glazing in timber sash and case windows; pivoting windows to later wing. Grey slates. Cavetto-coped ashlar stacks, some shouldered or panelled; some cans. Square-section cast-iron downpipes with decorative rainwater hoppers.

### Interior of the building

Decorative and plain plasterwork cornices; timber shutters; 6-panelled architraved doors; deep skirtings; cantilevered dog-leg staircases with decorative and plain ironwork balusters. Part-glazed panelled timber screen door with flanking lights and semicircular fanlight; stairhall with lift installed 2004. Ground floor room below 1st floor witness room with cast-iron column at each floor. Court Room 1 (some minor alterations) incorporating moulded, decoratively-astragalled circular window to W (concealed at exterior by 1863-5 building), compartmented coombed ceiling with chandeliers, fine decorative cornices, boarded timber dadoes and cast-iron radiators. Open pedimented doorpiece with flanking engaged granite columns, outer (hall) face of doorpiece with clock in tympanum. Steps up to corniced Judges bench (at E) with square-finished, stop-chamfered newels, classically-detailed sounding board incorporating large centre pediment with scrolled detail and surmounting shield, and flanking plain pediments. Some bench seats retained, including jury seats; raked floor to public benches. Court Room 2 refurbished before 1994, with coombed ceiling, decorative cornices, panelled reveals and cast-iron radiators. Sheriff Chambers retaining picture rail. Vaulted cells at basement (1 now boiler room) incorporating stone flag floors, 1 with original door with viewing hole and huge hinges; record room 2 vaulted with flag floor and metal doors; record room 1 with lower ceiling forming dead space between basement and court room above. Police Station modern.

### Boundary Walls

Ashlar-coped rubble dwarf boundary walls with low square-section terminating piers.





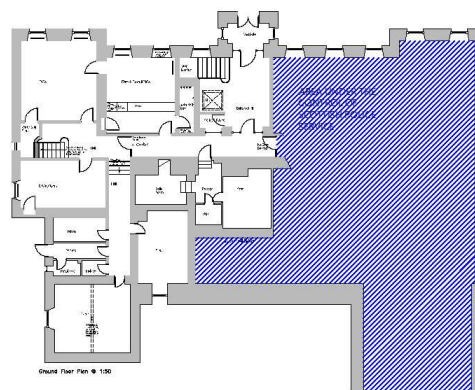
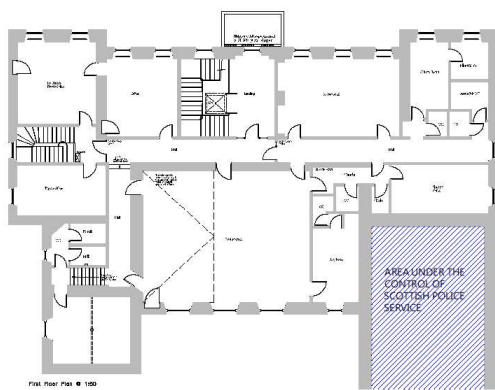
## YOUR IDEAS AND SUGGESTIONS

If the Stonehaven Court Building is offered for Community Asset Transfer, it is up to YOU, the community to decide what to use it for.



**Your ideas and suggestions are vital to this.**

Please let us have your views here.



**Community Asset Transfer** is a process whereby a public body (in this case the Scottish Court and Tribunals Service) offers a building, for which it no longer has a use, to the community and at a price below the market value.

We do not know the market value of the Court Building.



**OUR IDEAS (so far)**

*very much subject to your input*



**Our proposed 'anchor' tenant**

The Citizen's Advice Bureau have expressed an interest in occupying the West end of the building, probably using both floors, occupying the areas coloured orange.

**Other Office areas**

These area (coloured green) might be offered to:

- other community organisations (e.g. KDP, K&D Befriending)
- Local small businesses

**..and Storage areas**

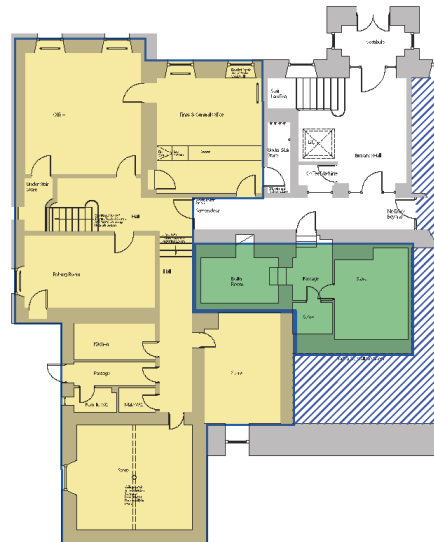
There are some rooms which are not suitable for day-long occupation, but could be used for either occasional use and/or for storage

**Court Room No 1.**

The current idea is that this will be made available for short term hire.

Possible uses being explored for the area coloured blue are:

- Mock trial room for students or others
- Film Set
- Local committee meetings
- Tribunals and hearings



**ANY OTHER IDEAS?**



## Appendix 5 – Curriculum Vitae of STP Trustees

Full Name	David Fleming
Role in Stonehaven Town Partnership	Acting Chair
DOB	1st June 1943
Address	5 David Street, Stonehaven
Current employment status	Retired Information Management and Security Auditor
Qualifications / highest educational award	B.Sc. II (ii) in Physics from St Andrews University (1966); HND in Bakery Technology (National Award winner); Diploma in Management Studies (1972)
All relevant previous experience	<p>After graduation, David joined RHM as a Technical Bakery Managements Trainee, but moved over to their IT Division after 4 years. During a very varied career Information Management (including working for Which?, the Industrial Society, on his own (twice), Scunthorpe Health District, Prudential Insurance, Shell UK Exploration and Production and the Audit Commission, he became a specialist in Information Security and Management.</p> <p>After retirement, he was appointed Chairman of Stonehaven &amp; District Community Council (8 years) and is a founder Trustee of STP (7 years).</p>

Full Name	Andrew William Newton
Role in Stonehaven Town Partnership	Secretary
DOB	3rd May 1943
Address	36 Forest Park, Stonehaven, AB39 2GF
Current employment status	Retired
Qualifications / highest educational award	HND Robert Gordon Institute, L.I. Biol.
All relevant previous experience	<p>Born in Cornwall Andrew lived in various parts of the world before arriving in Aberdeen to take up a post in fisheries science. The work concentrated on the health of existing and undiscovered fish stocks in the NE Atlantic and involved countless expeditions as chief scientist on research vessels. This work underpins the Scottish Government's stance on the exploitation of fish in Scottish waters. Whilst much of his working life was spent as a scientist, towards the end of his career Andrew moved into management and was the Assistant Controller of Fisheries Research and Development in the UK and was on the Board of the Scottish Fisheries Research Service - a stand-alone government agency with an annual turnover of £23M. In addition, Andrew acted as an advisor to various European countries; worked for the European Commission in Brussels and Italy running multi-national projects and also spent 5 years chairing the International Council for the Exploration of the Seas' (a NGO</p>

	<p>based in Denmark) working group that sets the international standards for monitoring fish stocks.</p> <p>Away from scientific work Andrew has been involved with the Air Training Corps for over 25 years and is currently the chair of the local (Stonehaven) squadron and the treasurer of the NE Scotland Wing; he also attends Scottish and Northern Ireland Regional meetings in an advisory capacity. Since retiring Andrew has helped to 'rescue' the Tolbooth museum where he is now secretary and joined Stonehaven Town Partnership where he is also secretary. Further community work was a 4 year stint on Stonehaven District Community Council until his resignation in 2014.</p>
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Full Name	John Robson
Role in Stonehaven Town Partnership	Treasurer
DOB	24 <sup>th</sup> September 1940
Address	22 Riverside Drive, Stonehaven, AB39 2GP
Current employment status	Retired
Qualifications / highest educational award	I.Eng.CEI. A.M.I.Struct,E,:A.M.I.Mar.E
All relevant previous experience	20 years as a structural engineer in general onshore structural and civil engineering.30 years as a structural engineer in offshore and oil related engineering

Full Name	James Stephen
Role in Stonehaven Town Partnership	Trustee
DOB	
Address	
Current employment status	
Qualifications / highest educational award	
All relevant previous experience	

Full Name	Elizabeth Havens
Role in Stonehaven Town Partnership	Trustee
DOB	
Address	
Current employment status	
Qualifications / highest educational award	
All relevant previous experience	

Full Name	Michelle Ward
Role in Stonehaven Town Partnership	Trustee
DOB	
Address	
Current employment status	
Qualifications / highest educational award	
All relevant previous experience	

Full Name	William Allan
Role in Stonehaven Town Partnership	Trustee
DOB	
Address	
Current employment status	
Qualifications / highest educational award	
All relevant previous experience	

Full Name	James Douglas
Role in Stonehaven Town Partnership	Trustee
DOB	
Address	
Current employment status	
Qualifications / highest educational award	
All relevant previous experience	

Full Name	Isabel Munn
Role in Stonehaven Town Partnership	Project Development Officer
DOB	21 <sup>st</sup> February 1965
Address	31 South Lodge Drive, Stonehaven, AB39 2PN
Current employment status	Employed
Qualifications / highest educational award	BSc Marine Resource Management
All relevant previous experience	An experienced and adaptable Business Manager and previously a Business Development Manager, Projects, Contracts and Environmental Manager. Experienced in working in the training sector for oil and gas companies. Previously working in the Microbiology Industry and a key member of the senior management team. Also previously

	worked in Aberdeenshire Council for a European Funded Project looking at the development of short sea shipping services throughout the Northern Maritime Corridor.
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