

Culture and Communities Committee

10.00am, Tuesday, 26 April 2022

Custom House: Feasibility Study Report

Executive/routine
Wards
Council Commitments

Executive
13 - Leith

1. Recommendations

- 1.1 Culture and Communities Committee is asked to:
 - 1.1.1 Agree the preferred option - Option 4 - Mixed-use community and creative hub - be progressed over the next three years as detailed in the Scottish Historic Buildings Trust (SHBT) Feasibility Study;
 - 1.1.2 Note that a backup option will also be developed should the funding for Option 4 not be secured. This would be Option 1 - Enhanced Existing Use – as detailed in the SHBT Feasibility Study;
 - 1.1.3 Note that if funding for Option 4 is not secured, a report would be brought back to Committee;
 - 1.1.4 Note that the use of Common Good Funding was for acquisition only and no further conditions or restriction would be imposed on the building from the Common Good fund; and
 - 1.1.5 Note that SHBT continue to welcome the input and leadership from the Council's Museums and Galleries Service in working with key stakeholders to develop the heritage element of the project.

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Executive Director of Place

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Report

Custom House: Feasibility Study Report

2. Executive Summary

- 2.1 This report sets out the outcome of a feasibility study on the future of Custom House and Committee is asked to agree the preferred development option for Custom House as a mixed-use community and creative hub allowing the accessible display of heritage artefacts relating to the history of Leith.
- 2.2 This option will create an open and welcoming building for the community whilst generating sufficient commercial income to ensure that the building has a sustainable future. It respects the historic fabric of this important, category A-listed property.

3. Background

- 3.1 The need for a cultural landmark that celebrates the heritage of the community of Leith has been an aspiration of the people of Leith for a number of years. The knowledge that National Museums Scotland (NMS) was intending to vacate their premises at Custom House in 2014 led to the local community seeking to save the building for a potential Museum for Leith.
- 3.2 Initial meetings were held in 2014 with a number of parties regarding potential acquisition of the building. The Council confirmed that it was supportive of a Museum/Heritage offer in Leith.
- 3.3 Following approval at Full Council on [21 August 2014](#) to acquire Custom House from National Museums Scotland (NMS) using the Common Good Fund, the Council entered into agreement with the Scottish Historic Buildings Trust (SHBT) as a third-party developer to take forward the development.
- 3.4 SHBT later secured agreement from the Council for an interim five-year lease to develop the capital project which will convert to a 99-year lease at a point in time when the capital project is ready to start its construction phase and terms are finalised. SHBT have provided an interim 'meanwhile' use for the building on this short-term lease as a creative hub, whilst undertaking a feasibility study investigating the potential development options and viability for the building.

- 3.5 A Custom House Short Life Working Group was established once the initial lease with SHBT had been set up and included representatives from the Council, SHBT, and a number of local community organisations and individuals. SHBT prepared initial information and advice on a potential route forward to purchase the building and provide a short term “meanwhile” use whilst any capital project proposals were developed.
- 3.6 The Council acquired Custom House from NMS for the sum of £650,000 using Common Good funding on 7 April 2015 with the following development criteria:
“to secure appropriate use of the building to include a museum/heritage purpose for the benefit of Leith and the wider city and to negotiate with third parties accordingly.”
- 3.7 SHBT took over the direct management of Custom House on 1 May 2015, initially occupying the building on a month by month Licence to Occupy basis until the five-year lease was in place with a Date of Entry on 1 July 2018. This initial short-term lease runs through to 30 June 2023 and discussions to extend the lease are ongoing.
- 3.8 The “meanwhile” use provided for the building by SHBT has seen a significant engagement with the local community which, it is hoped, can be augmented as the capital project develops and the long-term use is delivered.
- 3.9 SHBT appointed a design team and have developed a feasibility study for the wider repair and re-development options for Custom House, and a preferred long-term vision and development option that can be delivered by SHBT has been identified.
- 3.10 SHBT, on arriving at a preferred, sustainable development plan, together with securing the necessary project funding, will convert the existing five-year lease to a 99-year lease of the building and progress with the construction phase of a major capital project which will see the building restored and take its place within the heart of Leith.
- 3.11 On completion of the capital project, SHBT will continue to manage and operate Custom House and will work with key stakeholders to deliver the sustainable future plan.

4. Main Report

- 4.1 From the outset, SHBT has engaged with the local community regarding the future of Custom House through events and open days with over 14,000 people having visited the building. Consultation was undertaken from day one of the SHBT lease and a formal community consultation exercise was carried out between November 2019 and January 2020, with the responses collated to assist with the vision for the development of Custom House as well as identification of the design options by the design team.
- 4.2 The feasibility study identified the many issues facing Custom House, including the poor condition of the building fabric and building services; significant issues providing access to, and within, the building for everyone; limited physical and

visual connections to external spaces; the lack of ancillary spaces within the building for toilets, cleaning, plant etc; how the building addresses issues relating to climate change; and the limitations of change to historic fabric.

- 4.3 During development of the study it became clear that the level of external funding for a capital project for a single use community option, such as a Museum project, would be extremely challenging to achieve and that the revenue costs associated with such a venture, likely requiring significant third-party subsidy, would make this particular option unsustainable. The Council has confirmed it is not in a position to develop or operate another single use museum of a scale of the entire Custom House building. To date no other third party, with a proven track record of delivering and operating a venue of the scale of Custom House has been identified.
- 4.4 The feasibility study therefore investigated a “hybrid” building use. It is however central to the Custom House development to incorporate some form of heritage display provision which would allow significant access for the community and visitors in the proposals.
- 4.5 A long list of potential use options was assessed, and a short list compiled to develop and test within the study. The following short list of options for the development were proposed:
 - 4.5.1 Option 1: Enhanced existing use including creative studio accommodation;
 - 4.5.2 Option 2: Ground floor commercial use supporting wider community facilities and heritage display on first floor;
 - 4.5.3 Option 2A: As Option 2 but with retention of historic fabric;
 - 4.5.4 Option 3: Mixed-use commercial, community, and creative hub; and
 - 4.5.5 Option 4: Mixed-use community and creative hub.
- 4.6 After further review and assessment, Option 4 - Mixed-use community and creative hub - was identified as the preferred option. This option provides enhanced entry points to the building which could potentially engage with the adjacent external spaces, creates a series of flexible community and heritage display spaces on the ground floor, and provides creative business accommodation on the upper floor levels with semi public/private spaces formed from the feature central rooms beneath the domed ceilings and cupola rooflights.
- 4.7 The income generated from the creative business accommodation will be augmented by income from an opened up and enhanced Custom Lane providing limited café and retail opportunities to complement the main building.
- 4.8 The preferred option provides the most appropriate balance between community use, accommodation for permanent heritage display and touring exhibitions, and commercial activity to ensure the potential future viability of the development.
- 4.9 Option 4 would be progressed as set out in Appendix 3. This shows that between June 2022 and March 2025, design work and costing will be progressed alongside identification, preparation and submission of funding applications and fundraising activities.

- 4.10 Due to the complex and changing external funding landscape, particularly following the impact of Covid on communities, it is proposed that Option 1 - Enhanced existing use including creative studio accommodation – should also be developed in parallel with the preferred option for the foreseeable future as a potential back up option. This option would still secure the future of this significant heritage asset and allow the building to be used by the community to a greater degree than currently on offer.
- 4.11 Both the preferred option and the backup option would provide accommodation for community use and heritage display. Initial discussions between SHBT and the Council's Museums and Galleries service have been positive and, aligning with the potential to develop the cultural offer to the "20-minute neighbourhood" model, it is anticipated that further detailed discussions regarding options to deliver a high-quality heritage display element within the redeveloped Custom House will continue during the next development stage of the project.
- 4.12 In terms of project costs, the design team has examined each of the development options and provided indicative costs for the capital works. The indicative project costs (including design team fees, fit out costs, legal fees etc) for the preferred option is circa £16m. The indicative project costs for the backup option is circa £13m, some £3m less than the preferred option. There is also further scope to undertake the backup option in a phased manner.

5. Next Steps

- 5.1 If Committee agree to the preferred option and note back up option, as identified above, the following next steps are proposed for the development of Custom House:
- 5.1.2 Promotion of the preferred option and project timescale within the local community.
 - 5.1.3 Development of key funding bids by SHBT for both development funding for the project as well as capital funds for the works.
 - 5.1.4 Once funding is secured, appointment of design team by SHBT for development stage up to RIBA Stage (including tender).
 - 5.1.5 Once funding is secured, development of community engagement activities by SHBT linked to the Custom House development and its place within the history of Leith.
 - 5.1.6 Development of proposals for the heritage display element of the project by SHBT with the Council's Museums and Galleries service and other partners and stakeholders.
 - 5.1.7 Once funding is secured and the tender process concluded, appointment of the main contractor by SHBT for the works and start of the capital project works on site.

- 5.1.8 Once the project is fully funded, contractor appointed and ready for site start, transfer of lease to SHBT from short term lease to a 99- year lease on confirmation of terms.

6. Financial impact

- 6.1 In order to progress the project, SHBT will prepare and submit applications to external funders for both project development and capital costs. The aim is to fully fund the capital project from external sources.
- 6.2 No further costs are being requested for the capital project from the Council.
- 6.3 It should be noted that SHBT will follow the Public Contracts Scotland procurement process to identify and appoint the main contractor for the capital works.

7. Stakeholder/Community Impact

- 7.1 The preferred option and the backup option both provide space for community activities as well as heritage display to meet the criteria set out during the acquisition process by the Council using Common Good funding.
- 7.2 The developed project has the potential to align with the objectives of the “20-minute neighbourhood” model being developed by the Council, enabling enhanced delivery of council services within the local area.
- 7.3 The development will aim to enhance the existing fabric and services to become more energy efficient and, where possible, harness energy from renewable sources and/or micro-generation, subject to limitations for a category A-listed building. The stated aim for the project is to become an exemplar in how a historic asset can be retrofitted to meet the challenges of climate changes as far as is practicable.

8. Background reading/external references

- 8.1 Report for, and Minute of the City of Edinburgh Council, Finance and Resources Committee dated [13 May 2015](#).
- 8.2 Report for, and Minute of the City of Edinburgh Council, Culture and Communities Committee dated [18 June 2019](#).

9. Appendices

- 9.1 Appendix 1 - SHBT Custom House Design Options report.
- 9.2 Appendix 2 - SHBT Custom House Feasibility Study (appendices available on request)
- 9.3 Appendix 3 – Indicative Programme for Option 4

Option 1 **Enhanced existing use including creative studio accommodation**
(with the option of phasing the work to each building)

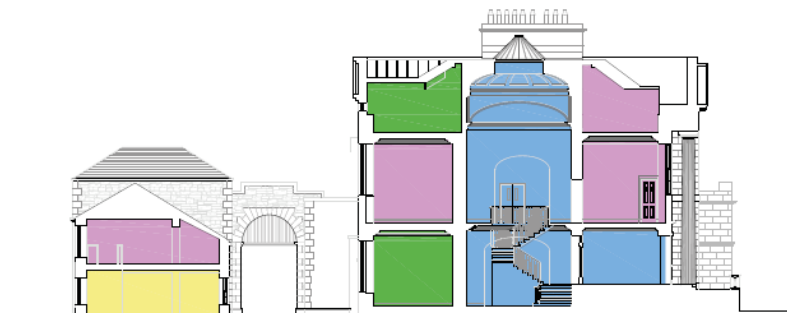
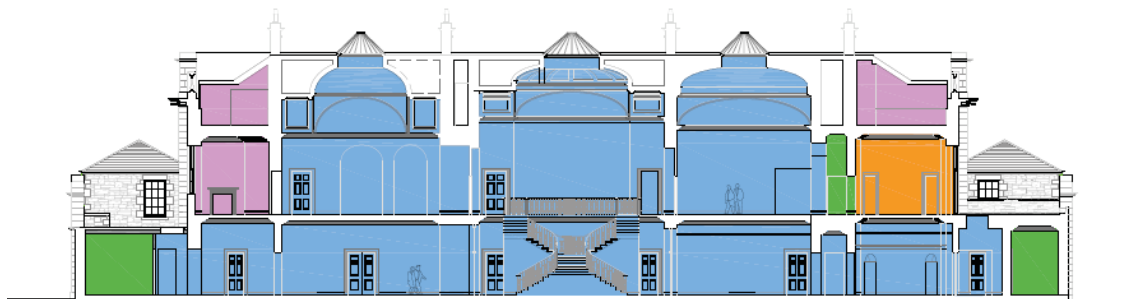
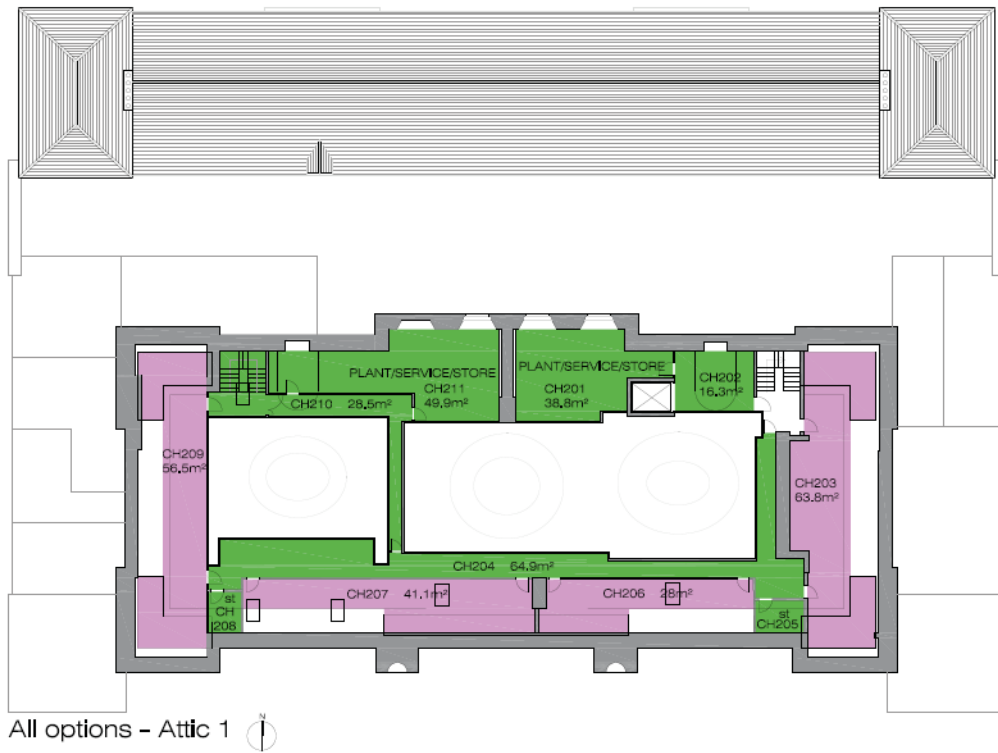


Option 1 - 1F



Option 1 - GF

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Option 2 Ground floor commercial use supporting wider community facilities and heritage display on first floor

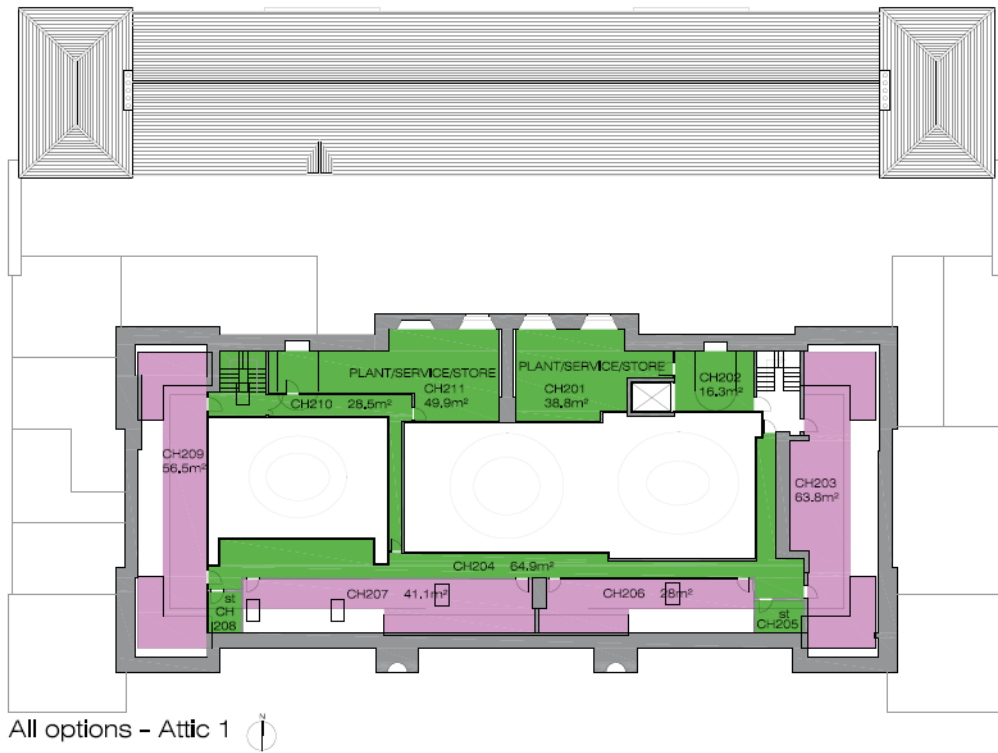


Option 2 - 1F

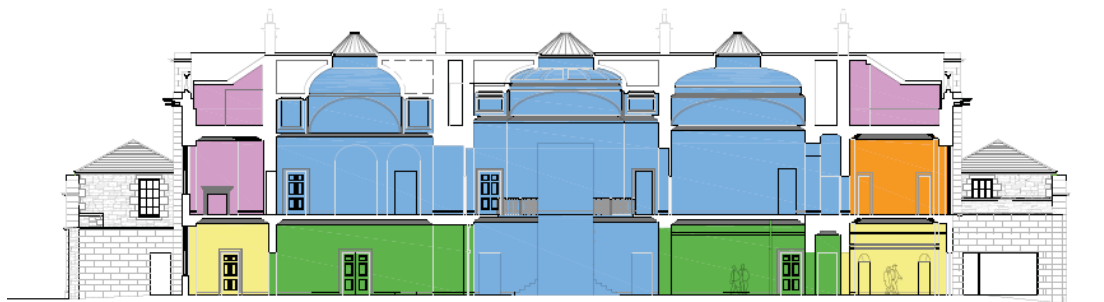


Option 2 - GF

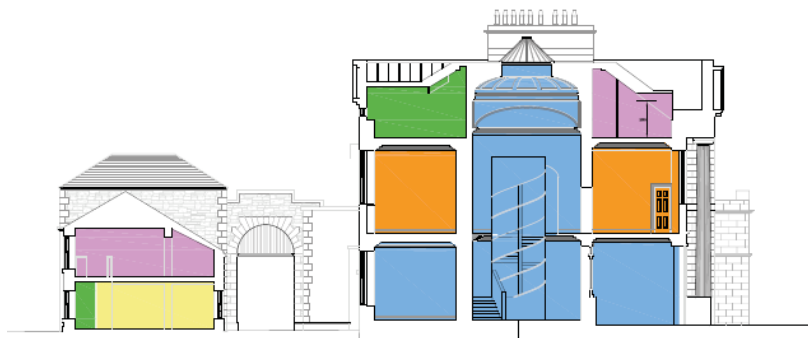
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Option 2 Section AA'

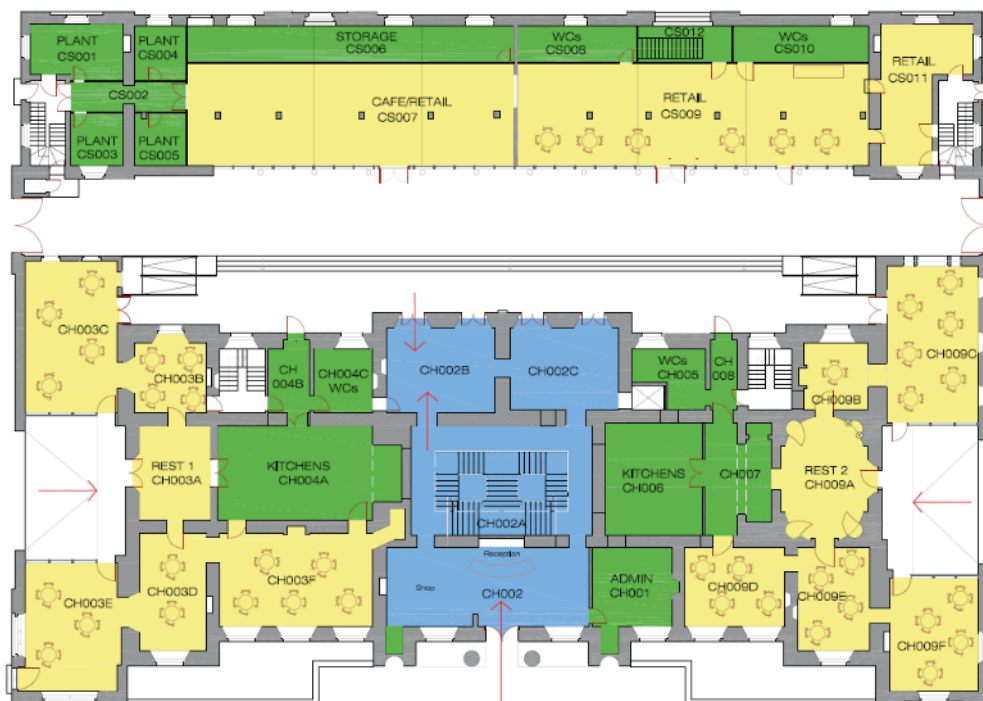



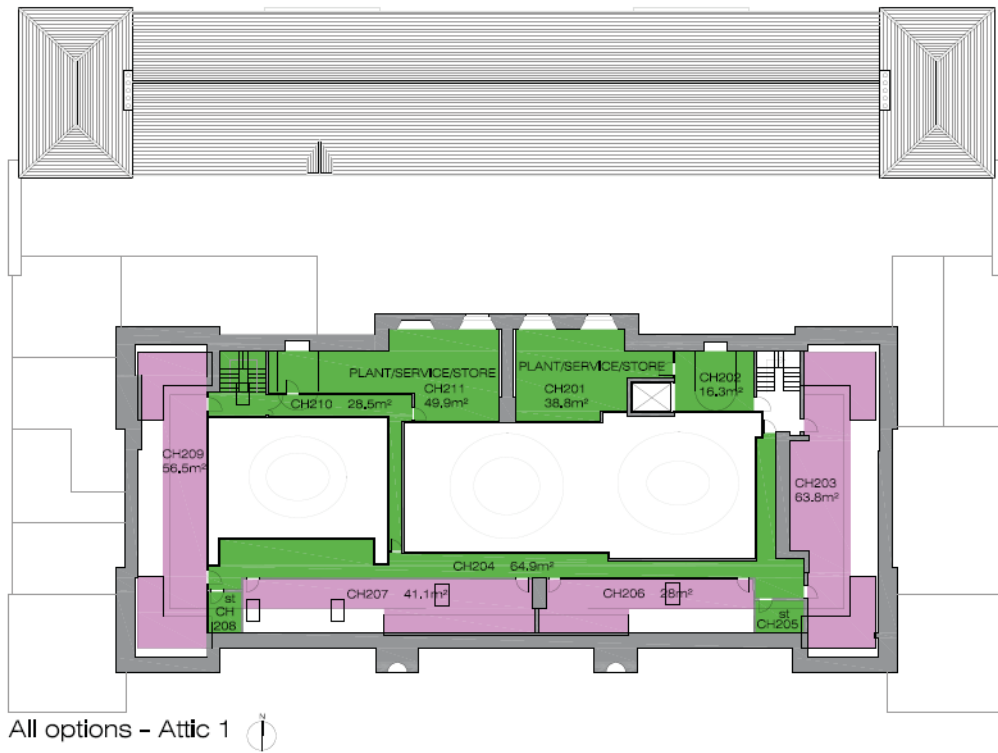
Section BB' Option 2

Option 2A **Ground floor commercial use supporting wider community facilities and heritage display on first floor (Retention of Central Stair)**

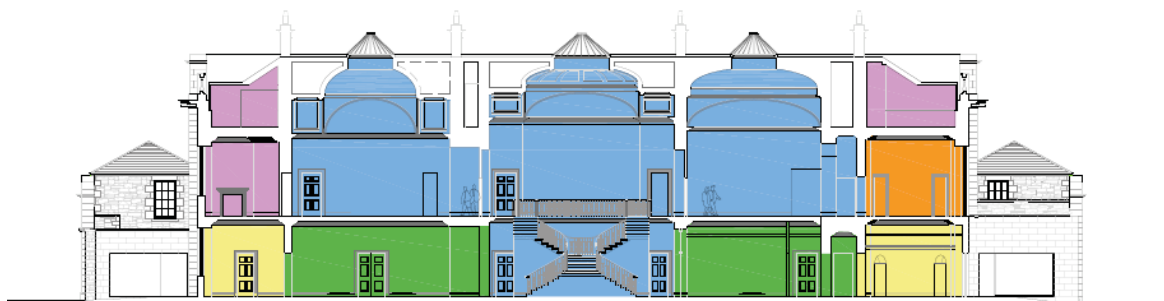


Option 2A - 1F 

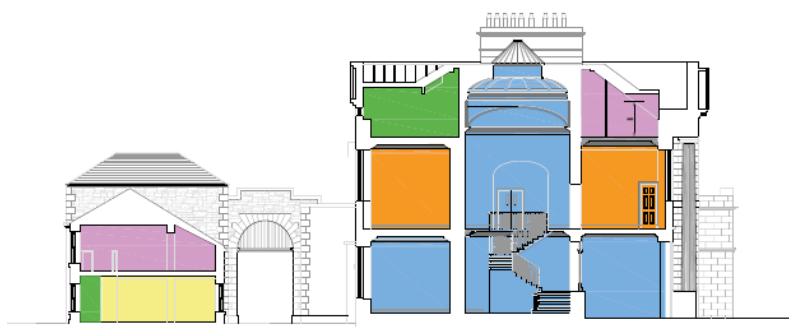
Option 2A - GF 



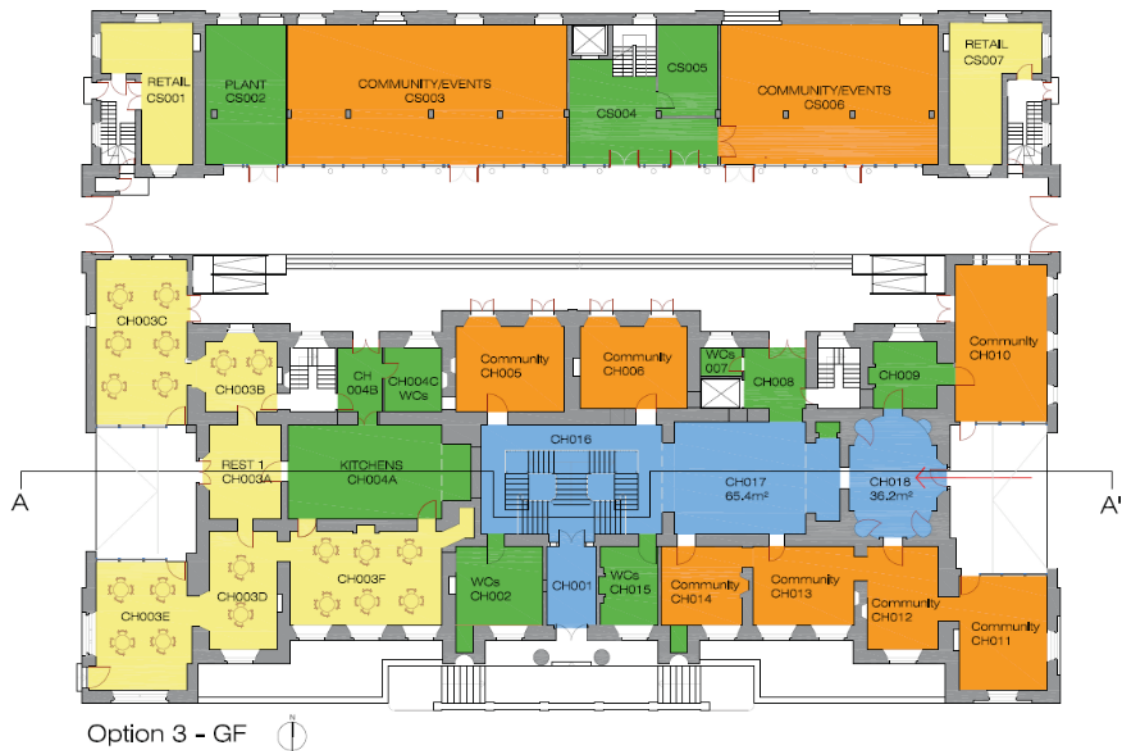
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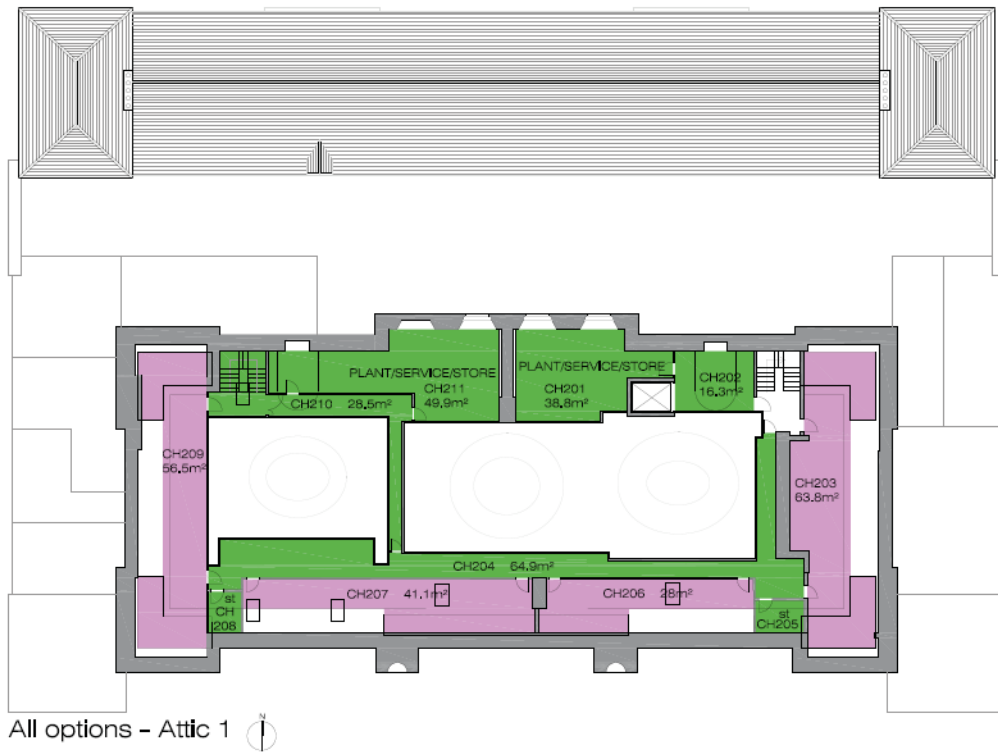
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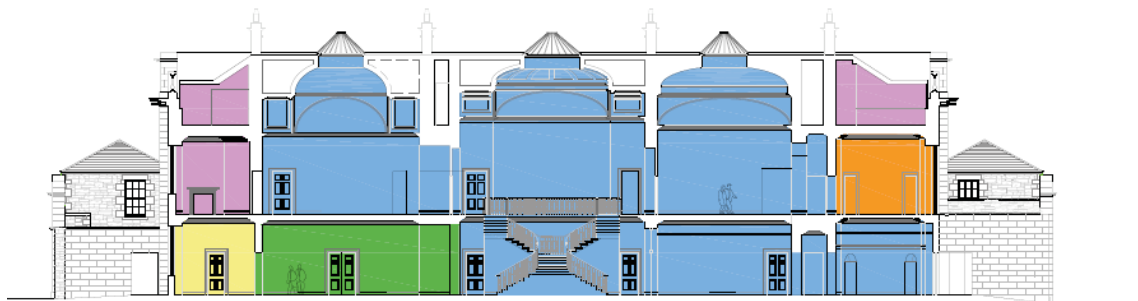
Option 3 Mixed-use commercial, community, & creative hub



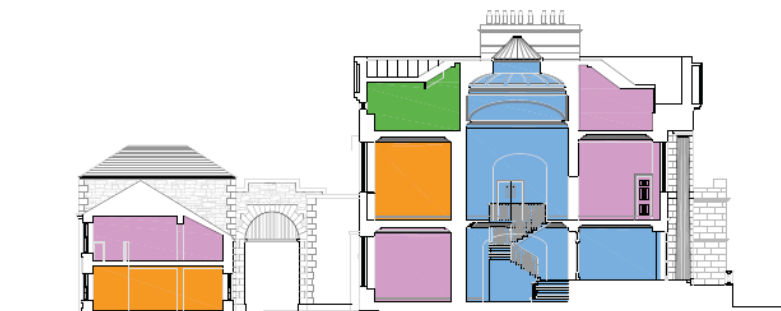
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Option 3 Section AA'



Section BB' Option 3

Option 4 Mixed-use community and creative hub

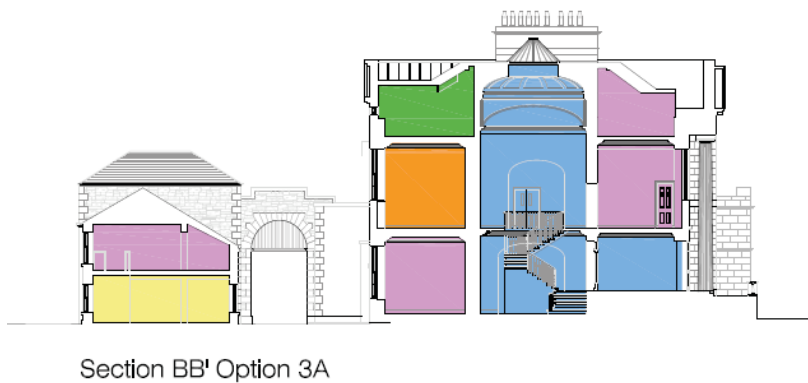
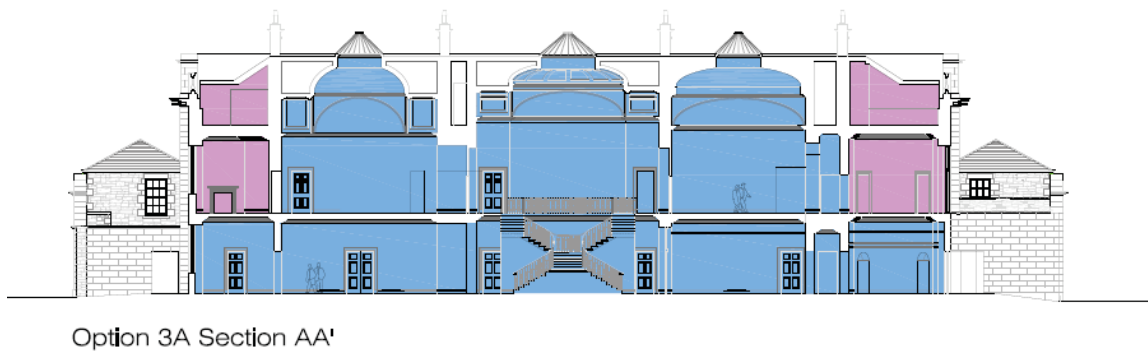
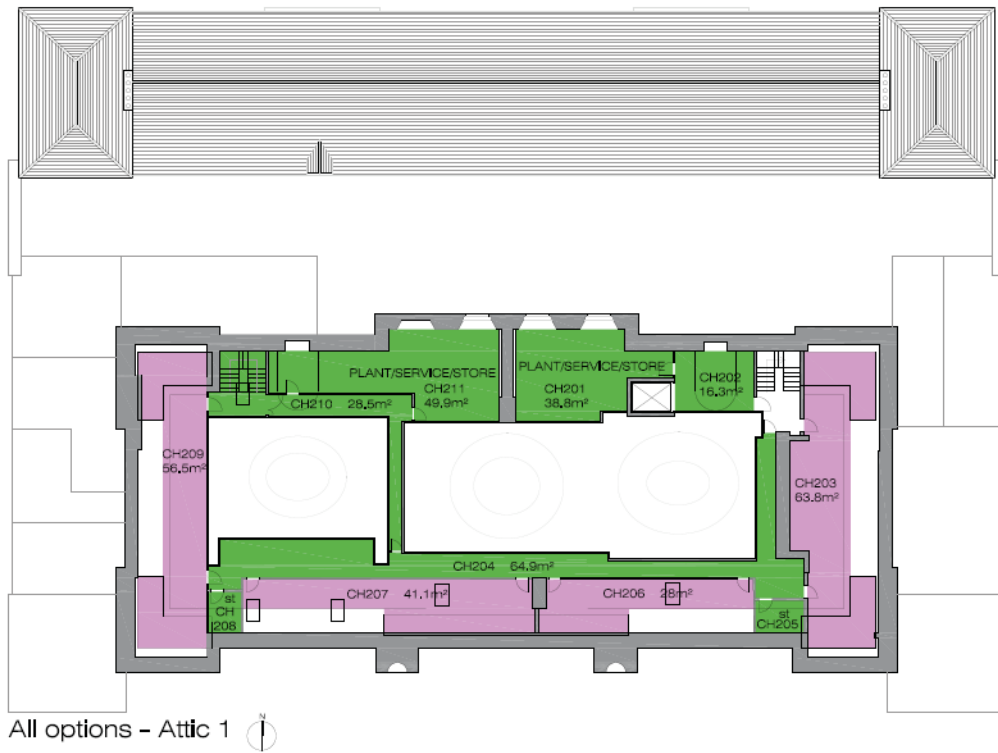


Option 3A - 1F



Option 3A - GF

0m 2m 5m 10m





CUSTOM HOUSE, LEITH
Feasibility Study
April 2022

DRAFT

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- Appendix 02 **Existing Drawings**
- Appendix 03 **Condition Survey Report** (Mar. 2020) – Simpson & Brown
- Appendix 04 **Strategic Costs – Repairs** (Mar. 2020) - Morham & Brotchie Partnership
- Appendix 05 **Structural Condition Report** (Sept. 2019) – David Narro Associates
- Appendix 06 **Services Condition Report** (Oct. 2019) – Ramboll
- Appendix 07 **Conservation Plan** (Sept. 2019) – Simpson & Brown
- Appendix 08 **Feasibility Report** (Nov. 2021) - Richard Murphy Architects
- Appendix 09 **Strategic Costs** (May 2021) - Morham & Brotchie Partnership
- Appendix 10 **Structural Drawings** (May 2021) - David Narro Associates
- Appendix 11 **Services Report** (Nov. 2021) – RSP Consulting Engineers LLP
- Appendix 12 **Community Consultation Report** (July 2021) - Sylvester & Chambers
- Appendix 13 **Energy Feasibility Study** (May 2018) – Mace
- Appendix 14 **Potential Use Long List Assessment**
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- Appendix 17 **Capital Project Costs – Preferred Use** (Full & Phased)

EXECUTIVE SUMMARY

Introduction

Custom House, Leith is an iconic Georgian building, originally located, by design, to be visible from the sea and lie adjacent to the entrance to the newly constructed docks. Over 200 years the building has seen dramatic changes in the burgh, but has continued to occupy a prominent position and act as a visual anchor point for this resilient community.

Coordinated community action led the City of Edinburgh Council (CEC) to purchase Custom House in 2014 using Common Good Funding, and SHBT taking on a short-term lease in 2015 to provide a “meanwhile” use for the building whilst options for its future redevelopment were explored.

The aim of our proposals is to secure the future of this important landmark building, ensuring that the building is as accessible as possible, and delivering a mix of sustainable uses to benefit and support the local community.

Vision for the Project

Our vision for the project is to create an open and welcoming building, incorporating carefully designed interventions to meet modern day standards, whilst respecting the historic fabric of this important, category A-listed property. The proposed community and creative hub will encourage a diverse cross section of the local community to engage with the building in a variety of ways and become an important and thriving hub for businesses and organisations, as well as serving the growing community of Leith, strengthening the civic pride that already exists in the area.

The Options Appraisal has assessed a variety of potential use possibilities for Custom House including a full Museum Option. This option is recorded in the study for information. However, during development of the study it became clear that a single use Museum project, would be extremely challenging to deliver, both in terms of available funding sources to support a capital project and the likely need for significant third-party subsidy to support ongoing revenue costs for such a venture. The City of Edinburgh Council confirmed that they would not be in a position to develop or operate a single use Museum of a scale of the entire Custom House building, nor would they be able to contribute capital/revenue funding to the project. No other third party, with a proven track record of delivering and operating a venue of the scale of Custom House has been identified.

Careful investigation, consultation and development, has identified a preferred option to create a thriving mixed-use community and creative hub including the accessible display of heritage artefacts relating to the history of Leith.

Our preferred option – Option 4 – Community and Creative Hub - incorporates the potential for heritage display, which will include interpretation of the rich local, national, and international history of both the building and Leith as a whole. Alongside the important community functions, this preferred option will also provide studio and workshop accommodation for the creative and business community, building on the successful “meanwhile” use currently being delivered by Scottish Historic Buildings Trust. It is hoped that the links between the local community, heritage display element, and the creative community in the redeveloped building will create a variety of opportunities for community arts and learning initiatives to the mutual benefit of the building occupants and local residents.

The overall project cost for the preferred redevelopment of Custom House as a mixed-use community and creative hub is estimated as **£15.1million**. This includes all essential repair works; improved access to, and within, the buildings; improved services and facilities, development and delivery of a high-quality heritage display element; public realm works to

link the buildings with the surrounding townscape, and all project delivery related expenditure.

Based on the current exploration of potential external funding opportunities, including a local fundraising campaign, the potential funding for the capital project delivery is approximately **£9.277 million**. This results in a potential funding deficit of approximately **-£5.9 million** based on the current estimated capital project costs and potential funding identified.

Conclusion

The recommendation of this study is that the preferred redevelopment option for Custom House is as a mixed-use community and creative hub allowing the accessible display of heritage artefacts relating to the history of Leith, Option 4 in the Feasibility Study:

Option 4 – Community and Creative Hub

Total Cost	£15,098,585
Potential Funding	<u>£ 9,277,000</u>
Surplus/Shortfall	-£ 5,821,585

The current funding landscape is however complex and challenging with the impact of the Covid pandemic, conflict in Ukraine and rising energy wholesale pricing being particularly troublesome for a variety of organisations and potential funders. There is a risk that funding the full preferred redevelopment of Custom House may not be possible. The study has therefore also investigated a phased approach to the development of a mixed-use community and creative hub, targeting the main Custom House for full development to meet the project outputs, and carrying out a reduced package of works on the Cruiser Store in the interim. The costs for this are estimated at **£9.936 million**, with potential funding of **£9.277 million**, creating a more modest shortfall of **-£659,028** which may be covered by a long term loan or further cost savings.

The Feasibility Study has therefore included a phased option – Option 4A – Community & Creative Hub – Phased Option.

Option 4A – Community and Creative Hub – Phased Option

Total Cost	£ 9,936,028
Potential Funding	<u>£ 9,277,000</u>
Surplus/Shortfall	-£ 659,028

This Phased Option will create a mixed-use community and creative hub, including a heritage display within the Custom House allowing access for the local community and other visitors as well as a variety of new complimentary uses. It will also sustain Custom Lane in its existing use for development in a future phase.

Our proposals will secure the future of this important landmark building, ensuring that the building is open and welcoming to all, and delivering a mix of sustainable uses to benefit and support the local community.

Way Forward

The Options Appraisal demonstrates there is the potential to develop a capital project with a long-term sustainable end use for the building as a mixed-use community and creative hub. To develop the project further the following steps will be taken in the immediate future:

- Draft Feasibility Study to be circulated to CEC Culture & Communities Committee meeting for comment and approval (26th April 2022)
- Engagement with local community on recommendations from Feasibility Study (May 2022)
- Final Feasibility Study to be circulated to SHBT Board for approval (9th June 2022)
- Final Feasibility Study incorporating feedback from community engagement and SHBT Board Approval to be circulated to CEC Finance & Resources Committee for approval (16th June 2022)
- Project Development including fundraising taken forward from Autumn 2022.
- Project Progress updates to CEC Committees and local community as required during development stage.
- Anticipated Site Start in Spring 2025
- Anticipated Project Completion and Grand Opening Spring 2028.

SHBT's experience and passion for securing sustainable futures for historic buildings, will bring a highly significant building, located in a very prominent location in the heart of Leith, into use as a 21st Century creative and community hub. The redeveloped building will be fully accessible to a diverse range of users and visitors and will be capable of hosting a variety of business, creative and community uses and activities, building and strengthening resilience within the wider Leith community.

1.0 INTRODUCTION

Custom House, Leith is an iconic Georgian building, originally located, by design, to be visible from the sea and lie adjacent to the entrance to the newly constructed docks. Over 200 years the building has seen dramatic changes in the burgh, but has continued to occupy a prominent position and act as a visual anchor point for this resilient community.

The architecture for Custom House was specifically designed to give the building a severe and commanding character, reminding people of the power and prestige of the Government function it was created to deliver. That architecture perhaps made the building foreboding to the passer by and, once vacated by the HM Custom & Excise and occupied as a secure store for historic artefacts by the National Museum of Scotland in 1980, the buildings severe, and predominantly closed, demeanour was further enhanced.

After the National Museum of Scotland moved their store to purpose-built premises in 2014, coordinated community action led the City of Edinburgh Council (CEC) to purchase Custom House using Common Good Funding.

Scottish Historic Building Trust (SHBT) were granted an initial five-year lease of the building to provide a “meanwhile” use and allow the development of a long-term vision for the property. Through rigorous investigation, consultation, and analysis, various options for a future use of Custom House have been explored, always with the engagement of the community in mind.

A formal Community Consultation exercise was carried out between November 2019 and January 2020 undertaken by consultants Janet Sylvester and Karen Chambers, with the responses collated to assist with the vision for the development of Custom House as well as identification of the design options by an award-winning design team, led by Richard Murphy Architects.

The long-term aim is that SHBT, on arriving at a preferred, sustainable development plan, together with securing the necessary project funding, will take on a 99-year lease of the building and progress with a major capital project which will see the building restored and take its place within the heart of Leith, celebrating both the building’s and Leith’s heritage.

It is anticipated that, on completion of the Capital project, SHBT will be responsible for the management and operation of the building and will work with other key stakeholders to deliver a sustainable future plan.

It should be noted that the potential future use of the current Dock Place car park, and how this area could compliment the redeveloped Custom House, will be considered in the next development stage of the project once a preferred option is identified for the building.

1.1 The Question of “A Museum for Leith”

One of the central arguments put forward by the local community when lobbying the City of Edinburgh Council to purchase Custom House with Common Good funding was the fulfilment of an oft stated civic promise to deliver a “Museum for Leith.”

The criteria set for the development of Custom House by the CEC is based on the following statement:

“to secure appropriate use of the building to include a museum/heritage purpose for the benefit of Leith and the wider city and to negotiate with third parties accordingly.”

As part of the investigations for this study the above statement set the backdrop to every option explored and how some form of heritage display can be incorporated within the building that would be accessible to all.

Clearly the simplest solution would be the creation of a stand-alone Museum and archive facility. There is no doubt that such a single use could be accommodated within a modified and enhanced building envelope at Custom House. Indeed, the previous studies carried out in 2008/09 demonstrated how a potential Museum and archive store could be achieved physically.

As the feasibility development and discussions with key stakeholders progressed it became clear, however, that such a single use undertaking would require a very substantial capital outlay to create the necessary spaces, incorporate specialist environmental controls for displaying and storing artefacts and implement significant security provision. A single use Museum would also require to demonstrate a very high level of potential revenue generation (or more likely subsidy) in order to manage, maintain and operate such a venue in the future.

Since 2001, national museums and collections that are funded directly by the Scottish Government must have a “free to all” admissions policy for permanent collections, although they may still charge for temporary exhibitions. Almost all university museums and a large number of local authority museums, including those operated by the City of Edinburgh Council, also operate a “free to all” admissions policy for permanent collections. This policy, whilst aimed at encouraging visitors from all backgrounds to engage with the collections, does limit the potential for income generation through admission charges and puts a reliance on other income generation sources or subsidies to operate any sites.

It was clear that the level of external funding potential for a single use Museum project would be extremely challenging and that the revenue costs associated with such a venture, likely requiring significant third-party subsidy, would make this particular option unsustainable, both in terms of project deliverability and long-term sustainable success.

The decision was therefore taken that efforts for the study should be directed towards investigating some form of “hybrid” building use which would allow Leith’s story to be told in an accessible and cost-effective form whilst allowing the building to generate sufficient income through other, complimentary, uses to operate sustainably.

The options presented in this study are therefore based on this “hybrid” use, with heritage display and community use being incorporated to a greater or lesser degree in each option and underpinned with some form of “Commercial” accommodation.

The impact of the Covid 19 Pandemic and the long-term changes in the way we live, work and socialise are still to be fully understood. As restrictions are lifted and some “normality” returns to everyday life, there are many questions that cannot be answered at this stage, particularly in terms of the way we visit local attractions and consume heritage. Many public and “free to all” venues remain closed (with some struggling to implement alterations to meet Covid guidance) and the pivot to digital content accessibility, whether for meetings, videos, tours of buildings etc, has opened up an interesting area of diversification and widened the potential audience for many attractions. A simple switch back to “how it used to be” would seem unlikely and would potentially miss opportunities to engage with the local community and those from further afield. There is much talk of “hybrid” initiatives and local delivery of public services (20 Minute Neighbourhood) but how these schemes develop to ensure no-one is left out remains to be seen.

Further investigation and research will be required during the development phase of the Custom House project to incorporate best practice but there is clearly an opportunity to create a venue which leads the way for the future.

1.2 Location of Custom House, Leith

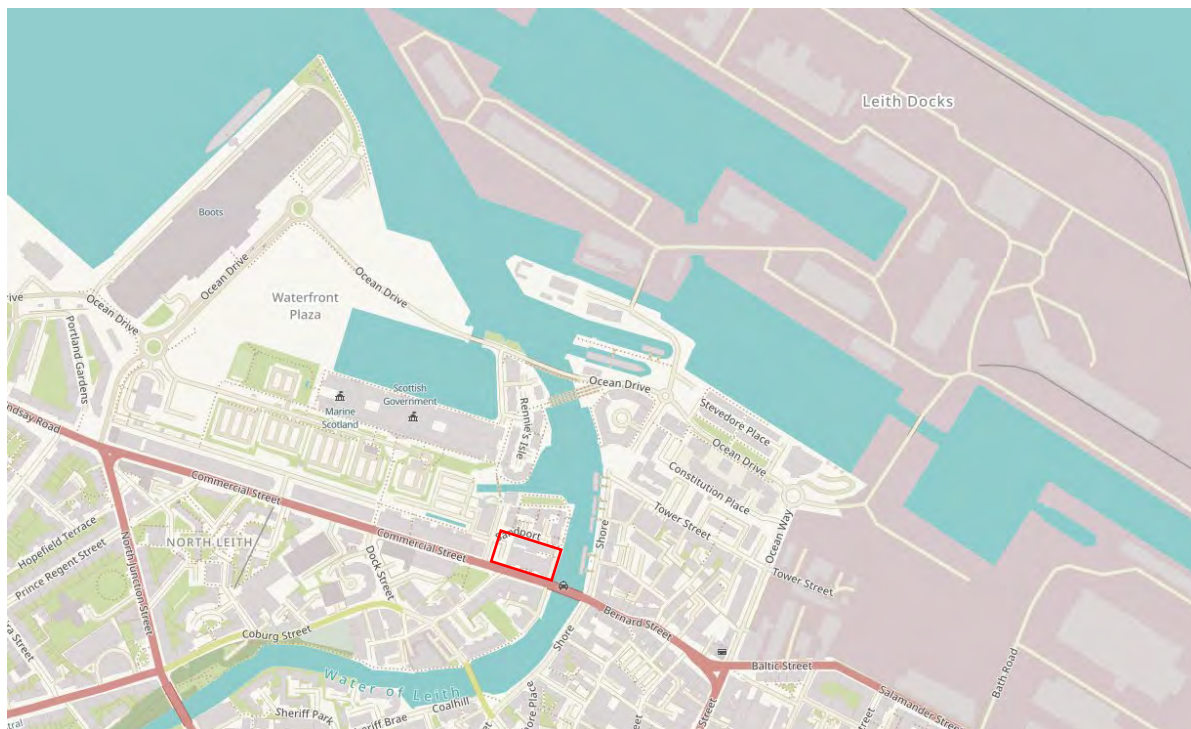


Figure 1: Custom House, indicated with a red rectangle, in the context of the port of Leith. *OpenStreetMap*

The building known as Custom House (although it no longer has this function), is located at 67 Commercial Street, in Leith, Edinburgh and comprises the main Custom House building and the secondary Cruiser Store building to the North. The buildings occupy a prominent site in the very heart of Leith, at the edge of the Water of Leith harbour, and near to the Bernard Street Bridge.

The primary facade faces South, addressing Commercial Street, a busy traffic, pedestrian, and public transport route. The formal main entrance to the building is located centrally on this elevation however despite the grandeur of the portico this has not always been the case with original entry via the gates to East and West of this façade, one to Customs and the other to Excise.

The buildings are bordered to the East by Customs Wharf and the Water of Leith and to the West by Dock Place. The open aspect to both East & West facades, with no directly adjoining buildings, ensures the original setting and status of Custom House is preserved.

To the North however significant change has taken place since the building's construction in 1811-13, with land reclaimed to provide space for additional warehousing and storage, which is now occupied by a modern housing development, Sandport.

The adjacent land use to Commercial Street and Dock Place (beyond the car park area) is primarily a mix of retail units at ground floor level and residential accommodation on the upper floors. Sandport contains exclusively private residential accommodation. Custom Wharf, as previously described has an open aspect to the Water of Leith.

This study investigates the development potential of the site, including the main Custom House building and the Cruiser Store, owned by the City of Edinburgh Council. Whilst there may be some surface enhancement of the Dock Place carpark and Custom Wharf areas, subject to agreement, it is not the intention within this study to propose the erection of new significant structures to these locations.

Leith itself is located within the North of Edinburgh looking out over the Firth of Forth. Originally a separate burgh Leith grew over many years with the expansion and importance of the Port of Leith. Leith's amalgamation with Edinburgh took place in 1920 however it is acknowledged that the community retains a distinct and proud individual identity.

The development site is located within the Old Leith and the Shore Sub Area of the Leith Conservation Area. (Ref. CA612)

1.3 Purpose of the Feasibility Study

This Feasibility Study has been prepared by the Scottish Historic Buildings Trust to establish whether there is a viable option for the redevelopment of Custom House that is in keeping with the historic and architectural significance of the building.

This Feasibility Study considers the special character of the building, including its historic significance; the internal and external fabric condition of the building and current issues affecting its use; Planning and other constraints likely to affect its re-use; the development options for re-use, to include cost of repair and development, market potential for various uses, and appropriateness of re-use in relation to the buildings significance; identification of potential funding sources; and how SHBT can provide a long-term sustainable future with significant community access for this Category A listed property.

The result of this exercise should establish whether there is a viable new use for the building and enable SHBT and the various project Stakeholders to decide how to develop the project.

1.4 Background information on the Scottish Historic Buildings Trust (SHBT)

SHBT is a Building Preservation Trust which has been in existence for over 40 years. It is a charity which specialises in saving derelict and redundant historic buildings by identifying sustainable new uses for them, raising the necessary project funds and managing the repair and conversion works. The Trust works throughout Scotland and has secured the future of over 25 significant historic buildings at risk ranging from Strathpeffer Spa Pavilion in the Highlands to Greenlaw Town Hall in the Borders and Strathleven House in Dumbarton to numerous buildings within the City of Edinburgh.

SHBT's project development model is to secure a fully-funded Capital project with funding from a variety of sources, typically including grant funding for the building repairs, as well as in-kind contributions, public appeal and loans, including cash-flow loans, as required. Where loans are used, the repayments are included in the ongoing costs to be supported by the building's revenue once returned to use and the level of possible repayment is tested through the preparation of a robust business plan.

On completion of a Capital project, buildings may be retained or sold by SHBT as appropriate. Where SHBT retains ownership, we provide long term management of the property. The arrangements vary to suit the building and its use and include full repairing and insuring leases of entire buildings to a single tenant. At other properties, the level of management provided by SHBT is much higher, including facilitating event hire or short-term rentals, plus managing all repairs and insurance in-house. We therefore have a thorough understanding of the long-term resource implications, both financial and staff, of managing historic properties. The aim for SHBT is to always endeavour to ensure that the individual buildings operate sustainably, covering day to day running costs as well as providing scope for future proactive and reactive maintenance.

In addition to developing and delivering our own capital projects, the Trust also works as a consultant to other organisations. We frequently provide project management and fundraising expertise for historic building repair and conversion projects and also have experience managing substantial grant schemes on behalf of local authorities.

1.5 SHBT's involvement with Custom House

The need for a cultural landmark that celebrates the heritage of the community of Leith, and its crucial part of Scotland's links with the wider world has been an aspiration of the people of Leith for a number of years. In 2009, with the knowledge that the National Museum of Scotland was intending to vacate Custom House, a study was completed which highlighted Custom House as the heart of a development for a Museum of Culture. This study was commissioned by Mark Lazarowicz, then MP for Edinburgh North & Leith, with input from the City of Edinburgh Council Culture & Sport, and Museums & Galleries. Unfortunately, with uncertainty as to the timing of NMS vacating Custom House, the project did not progress further.

In 2014 SHBT were invited to a meeting with the Leith Trust to advise them on how a project to save the building could move forward. Further meetings were quickly established with both Fiona Hyslop, MSP, then Culture Secretary for the Scottish Government, who expressed her support that the building was saved for public benefit and NMS, who indicated that the sale of the building was imminent and that the community group had 4 weeks to come forward with a firm offer to purchase the building.

SHBT inspected the building and prepared initial information and advice on a potential route forward to purchase the building and provide a short term "meanwhile" use to allow any capital project to develop. A Custom House – Short Life Working Group was established with representatives from CEC, the local community and SHBT, with the building purchased for the sum of £650,000 by CEC using Common Good funding. SHBT moved in to the Custom House in 1st May 2015 initially occupying the building on a month by month Licence to Occupy basis until the five-year lease was in place.

The building was gradually opened up, allowing light in, and a planned programme of repairs and alterations to take place to arrest any further decay to the building and provide useable accommodation for the "meanwhile" use. Members of the local community were also encouraged into the building through a series of open days and events, which has continued to this day.

Slowly a variety of "creative" tenants were attracted to the main building, managed by SHBT, and the Cruiser Store, whilst still under the control of SHBT, was sublet to a third party. The "meanwhile" use created a vibrant mix of occupants, engaging with the local community on a number of fronts.

SHBT continued the exploration of the building's potential with community events and consultations and formally appointed a design team to develop the feasibility study in 2019. A full condition survey of the building fabric and a Conservation Plan was prepared and a formal community consultation carried out in 2019. This work assisted SHBT in developing a brief for the design team and the creation of costed development options for robust analysis and assessment.

The Covid 19 pandemic and widespread restrictions had a significant impact on both SHBT resources and the development of the feasibility study. The potential to engage with the community was also significantly reduced and delaying the conclusion of the study.

SHBT has, at every step, used best endeavours to develop the building to provide an engaging and relevant "meanwhile" use whilst attempting to create a robust set of proposals for the long-term sustainable development of the building, ensuring that the community is always considered at the centre of decisions for the building's future.

1.6 Consultation

From the outset of SHBT's involvement with Custom House there has been consultation with the local community on the future of this landmark building. Regular open days have allowed the public access to the previously "closed" interiors of the building, engagement with the buildings tenants and encouraged dialogue (through written questionnaires, verbal discussions, comment boards etc) on potential development uses.

A formal Community Consultation exercise, with over 620 responses, was also carried out between November 2019 and January 2020, undertaken by consultants Janet Sylvester and Karen Chambers.

The Custom House – Short Life Working group, set up during the very early discussions regarding potential acquisition of Custom House, provided a significant level of local community engagement and consultation with many local groups and organisations being represented. This group has morphed over the intervening years and is now the Leith Heritage Group with a wider remit than simply the Custom House, connection many heritage and cultural groups in the area. Again, the Leith Heritage Group provides a forum for progress updates and dialogue on the development within the local community.

These consultations with the community and key stakeholders have assisted with the creation of a vision for Custom House as well as helping SHBT develop a relevant development brief for the award-winning design team, led by Richard Murphy Architects.

The following organisations and individuals have been consulted and contributed to the development of these options:

- City of Edinburgh Council
- Local Elected Members
 - Councillor Chas Booth
 - Councillor Adam McVey
 - Councillor Gordon Munro
 - Councillor Richard Lewis
 - Councillor Norma Austin Hart
 - Councillor Dominic Heslop
 - Councillor Alastair Shields
- Custom House - Short Life Working Group which includes representation from the following local community groups / organisations:
 - Leith Local History Society
 - Leith Links Community Council
 - Leith Chamber of Commerce
 - Leith Trust
 - Leith Trust
 - Leith Civic Trust
 - Leith Rotary Trust
 - Spirit of Leithers
 - Leith Museum Trust
 - Leith Harbour and Newhaven Community Council
 - Friends of Water of Leith Basin
 - Leith Central Community Council
 - Greener Leith
 - Coburg House Gallery and Studios
 - South Leith Parish Church

- Leith Heritage Group - Formed from the Custom House - Short Life Working Group and which includes representation from the above local community groups / organisations as well as the following additional local community groups / organisations:
 - Yardheads Theatre
 - Citadel Arts
 - SS Explorer
 - Leith Rules Golf Society
 - Forth Ports Ltd
 - Visit Scotland
 - Leith Late
 - Leith Theatre Trust

1.7 Contributors

Following a competitive tender process on the Public Contracts Scotland website, Richard Murphy Architects (RMA) were appointed to lead the Design Team for this Feasibility Study. RMA have considerable, award winning experience in re-purposing traditional buildings with considered contemporary interventions where appropriate. Their contributory document is attached as Appendix 08.

Other members of the Design Team included Morham & Brochie as Cost Consultants (Appendix 04 & 09); David Narro Associates as Structural Engineers (Appendix 05 & 10); and RSP Consulting Engineers as Services Engineers (Appendix 11).

Simpson & Brown Architects were appointed to carry out a Condition Survey (Appendix 03) and Conservation Plan (Appendix 07) for this study.

Janet Sylvester and Karen Chambers were commissioned to conduct community consultations on behalf of SHBT. Their report is attached as Appendix 12.

1.8 Feasibility Study Funders

This Feasibility Study has been possible thanks to funding from the City of Edinburgh Council and the Architectural Heritage Fund.

2.0 CUSTOM HOUSE – A VISION FOR THE FUTURE

The ultimate vision for Custom House, Leith is the creation of a vibrant cultural and community venue within this iconic heritage asset for the people of Leith and beyond. A place for everyone to enjoy, create and learn, to tell stories, engage with the past and develop their future. Key, therefore, to a sustainable future for the building is the identification of a mix of uses which will provide much needed community facilities as well as commercial income generating potential, allowing the building to become both self-sustaining and a well-used asset for the community for many years to come.

The challenge is to transform what is an austere, and essentially secure, historic building into something altogether more outward looking, attractive and engaging for the community. A building that can be used by everyone – locals and visitors alike - and that can act as a catalyst to bring Leith's diverse and expanding community together to participate in a variety of different activities.

When identifying a Vision for the development and future of this grand piece of Leith's historic fabric, the key central considerations must be that it provides benefit for the Common Good of the people of Leith, attempting to meet all of the community aspirations for the building, provides interpretation relating to the history of Leith including making collections available to be viewed by the general public, and respects the buildings architecture and status as a building of National importance.

Equally though a vision for Custom House cannot be seen as open ended or fantastical and therefore a vision needs to be clearly based in a reality that is potentially deliverable and, ultimately, economically sustainable to ensure that the building is looked after and that it meets the needs of the occupants and wider community for many years to come.

Considerations, including potential capital funding sources, future economic viability and sustainability, operational management etc. have all influenced the vision for Custom House and whilst there are any number of uses that could have been explored for the building, many were discounted as being unattainable within the parameters set for the project delivery.

Simply stated therefore, the vision for the future of Custom House, Leith is:

The sensitive transformation of this important historic landmark to create an open, accessible, and welcoming building which can both support and promote sustainable, diverse and vibrant activity, not only for the building's occupants, but also for the wider Leith community and visitors to this historic area.

The building itself not only has its own story to tell - with links to international trade, smuggling and political history - but has also borne witness to great change in Leith as well - with expansion, mechanisation, industrial decline, protests, amalgamation, and even today continued reinvention. What an opportunity therefore exists for a rejuvenated Custom House to not only be home to a vibrant mix of local occupants making their own mark in Leith's history but also to provide a welcoming destination for the community of Leith to tell "their" story to locals and visitors alike.

This vision, it is hoped, will gain widespread support that will see Custom House given its place back in the heart of Leith, for the community and the future.

3.0 THE SITE (HISTORY AND SIGNIFICANCE)

3.1 Timeline of Key Dates

1128	Leith first mentioned when David I grants his lands of 'Inverleith' to Abbey of Holyrood as part of its incorporation.
1548	Mary of Guise moves government to Leith causing it to be besieged in 1560.
1620-21	Leith "customar" is operating from a Custom House in the King's Wark, a building located on the shore belonging to the Crown.
1683	King's Wark destroyed by fire. The Custom House moves to a new building in Tolbooth Wynd.
1707	Act of Union results in the English system of collection being implemented in Scotland with separate Customs & Excise Offices, presumably operating from the Custom House at Tolbooth Wynd
1800	Drawbridge at the West End of Bernard St (adjacent to CH - not yet built) was constructed.
1801-06	East Dock, designed by John Rennie, constructed.
1810-17	West Dock, again designed by John Rennie, constructed.
1811-13	Leith Custom House, designed by Robert Reid (the King's Architect and Surveyor in Scotland) constructed for the Board of Customs and Excise.
1817	Greenock Custom House built by William Burn.
1824	Significant alterations to Leith Custom House carried out by William Burn.
1828	The Docks Commission was created - a joint stocks company with commissioners from Leith and Edinburgh.
1833	Edinburgh Corporation declared bankrupt.
1849	The <i>Excise Department</i> was combined with the <i>Board of Stamps and Taxes</i> to form the <i>Board of Inland Revenue</i> .
1852	Victoria Dock opened. (Just North of the East & West docks)
1869	Albert Dock was opened.
1874	Victoria Swing bridge constructed - largest swing bridge in UK when completed.
1877-93	Reclamation of land to North of Custom House for further warehouses.
1881	Edinburgh Dock opened.
1896	Alexandra Dry Dock opened.
1909	The <i>Excise Department</i> moved from <i>Inland Revenue</i> to be combined with customs in the new <i>Board of Customs and Excise</i> .
1973	UK joins the EEC dramatically reducing the number of import/export taxes needing to be paid and so effectively negated the need for Custom House.
1980	Custom House is acquired by the National Museum of Scotland and is used almost exclusively for storage.
2015	NMS move to purpose-built storage facility. CEC acquire building and SHBT awarded short term lease for "meantime" use.

3.2 Historic Maps Showing Site Development

The following historic maps demonstrate the development of the site and surroundings. In each case the approximate boundaries of Custom House have been marked in red.



Figure 2: 'Plan of North Leith within the Regality of Canongate', by Bell printed 1813 (NLS)



Figure 3: 'Plan of the Town of Leith and its environs', by Thomson, printed 1822 (NLS)



Figure 4: 1852 OS Map - 6 Inch, First Edition (NLS)

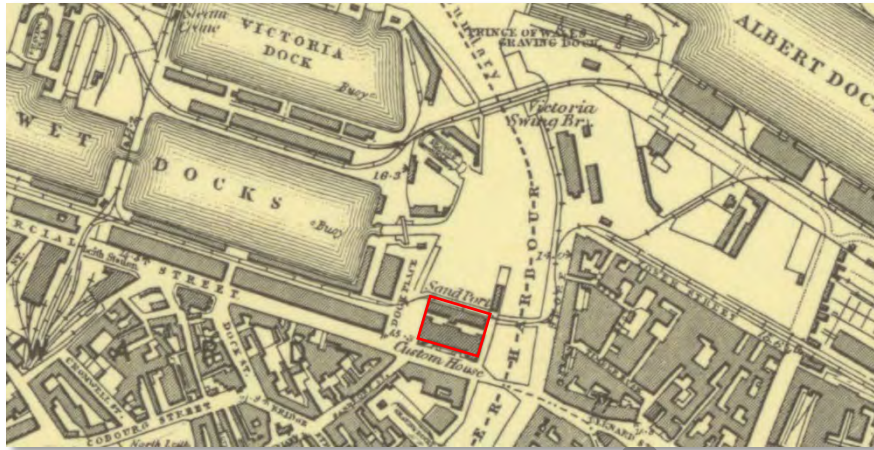


Figure 5: 1877 OS Map - 6 Inch, Second Edition (NLS)



Figure 6: 1894 OS Map - 6 Inch (NLS)



Figure 7: 1946 OS Map - 6 Inch (NLS)

3.3 Statement of Significance

The Conservation Plan prepared by Simpson & Brown Architects (See Appendix 07) provides a detailed breakdown of the significance of the Custom House under the following categories:

- Historical
- Architectural, aesthetic and design
- Social
- Archaeological

It considers each of these elements and the entirety of the surviving fabric of the building within a hierarchical scale of significance consisting of:

- Outstanding
- Considerable
- Moderate
- Neutral
- Negative

Based on their analysis of the building under the identified categories and using the above scale of significance, the report concludes that '*the Custom House and its former warehouse are of considerable significance*'. This derives primarily from the building's historical and social significance, with additional architectural significance and limited archaeological significance. The analysis as laid out in the Conservation Plan, and summarised in this Statement of Significance, provides an important benchmark against which all proposals for enhancement and change to the Custom House should be assessed.

3.3.1 Summary of Significance

The Custom House is a Category A listed building, (See Appendix 01) prominently situated in the centre of Leith opposite the Shore. Its size and purpose are intrinsically linked to the reason for Leith's existence and historic development: its harbour. This association is a key part of the building's historical significance, which combine with its architectural and social significance to make it a building of national importance.

The recorded history of Leith goes back to 1128, when it already had an established harbour. Leith's proximity to Edinburgh meant that the importance of this harbour quickly grew until it became the primary port of Scotland, a position it maintained for over five centuries. The 'Great Custom', a royal tax on imports and exports, was introduced in Scotland during the medieval period. This tax was initially collected by the Royal Burghs (in this case Edinburgh) but at the start of the 17th century this changed and the Customs Officers for Leith and the surrounding area instead began to operate directly from Leith. They first used the King's Wark, a royal building which stood close to the present Custom House on the opposite side of the Shore. When this burnt down in 1683, they moved to a new building in Tolbooth Wynd (also no longer extant), before commissioning the present Custom House in 1810.

The construction of the Custom House was part of a major development of Leith Harbour. This saw the creation of Leith's first 'wet docks', which were protected against tidal movement and could hold up to 150 ships. The East Dock was completed in 1806 and the West Dock followed in 1817. The site for the new Custom House lay immediately adjacent to the entrance to these docks and was prominently visible from the sea. The building was commissioned by the Scottish Boards of Customs and Excise and designed by the architect Robert Reid. Unusually, the building's central columned portico was not designed as the entrance. Instead, visitors originally entered the Customs and Excise sections of the building separately, through the gatehouses at either end of the main façade. This strange design, along with changes to way the Customs and Excise departments were organised, contributed to the building being substantially altered by William Burn from 1824-5. The internal layout and external structure of the Custom House have remained largely intact ever

since. Minor additions include piecemeal extensions into the east and west courtyards, which the 1825 alterations had made redundant. This included the mid-19th century 'Reading Room', which has its own entrance. The building remained in primary use by the Customs and Excise departments until 1980, when it was sold to the National Museum of Antiquities of Scotland for use as a storage facility.

The Custom House's historic significance derives primarily from its use; it has local and regional significance as a building strongly linked to the history and development of Leith and it has national significance as a British custom house, exemplifying the long-held importance of maritime trade to the British economy. From the time of its completion in 1813 to its closure in 1980, all trade passing through Leith had to be declared at the Custom House, making it a prominent public building. The fact that it retained its use over such a long period of time also means that it has survived in largely original (circa 1825) form. On the exterior, the carved and painted Royal Arms of King George III remain in-situ in the central pediment. On the inside, one of the key areas of considerable significance is the Long Room, which was where members of the public would come to pay customs duties and obtain import and export licenses.

A notable addition to this historic significance is the fact that the Custom House as it stands today is almost entirely the work of two significant Scottish architects. The original designer, Robert Reid (1774-1856), was from 1808 the 'King's Architect and Surveyor in Scotland' and in 1827 he was officially appointed the last Scottish 'Master of Works'. William Burn (1789-1870) was an even more prolific architect who worked across the British Isles and pioneered the Scots Baronial style.

The building that Reid created and Burn altered holds architectural significance as a good example of a prominent British custom house and 19th-century institutional buildings in general. The architecture was specifically intended to give the building a severe and commanding character, reminding people of the power and prestige of the British government. The exact style used by Reid is the Greek Revival style, most obviously visible in the building's two large Doric columns. Whilst not a particularly distinctive example of this style, the Custom House is notably early and pre-dates the widespread use of the Greek Revival in Britain. It likely influenced the design of Greenock Custom House (built 1818) and Glasgow Custom House (built in 1840). Inside, the grand central staircase and two first floor rooms either side, one of which is the Long Room, all possess significant architectural and design merit. All three are topped with large oval cupolas, marking them out as high-status spaces. The 19th century 'Reading Room' (now known as the Gallery), is also notable for its ornate plaster ceiling, which is remarkably crisp for its age, and prominent marble chimneypiece.

The final, crucial element that makes the Custom House a significant building is its physical and psychological presence within the Leith community. Its size, positioning and historic nature all combine to make it a particularly prominent building within Leith, featured in paintings, postcards, photographs and the collective local memory. This status is increased by the fact that its exterior has remained unchanged for nearly two centuries. Although not designed as a specifically 'public' building, it is one that from 1813 until 1980 was regularly entered by those involved in trade and worked in by a number of Leithers. The fact that the building only ceased to operate as a Custom House just over 40 years ago means that there remain significant number of former employees who remember how the building operated and exactly what the different spaces were used for. Whilst so many other parts of historic Leith have been demolished, the Custom House has survived. This, combined with its placement at the heart of the harbour area, gives the building the unique potential to become a centre point for both the modern community of Leith and new insights into Leith's past.

4.0 Conservation Policy and Principles

The Scottish Historic Buildings Trust as a building preservation trust is established to repair and restore historic buildings whilst also providing them with viable and sustainable uses. Inevitably there is a balance to be made between the preservation of the building and the need to bring that building into viable, up to date, use.

SHBT require to acquire title or secure a long-term lease of the buildings that they restore and retain that title/lease upon completion of the capital work thereby ensuring that income generated from the new uses is reinvested into the buildings under the care of SHBT as appropriate.

Article 6.1 of The Australia ICOMOS Charter for the Conservation of Places of Cultural Significance (2013), also known as The Burra Charter, states:

'The cultural significance of a place and other issues affecting its future are best understood by a sequence of collecting and analysing information before making decisions. Understanding cultural significance comes first, then development of policy and finally management of the place in accordance with the policy.'

This process was first established in 1979 is now widely accepted as best practice in conservation. The best way to ensure this process is carried out is through the production of a conservation plan.

SHBT always work within the interests of the building and its significance. The repair and reuse of Custom House will be guided by the overriding principle that the significance of the building will be conserved and enhanced as stated in the developed Conservation Plan by Simpson & Brown (See Appendix 07)

The architectural and historic significance can be enhanced through repairs and restoration whereas the enhancement of the social and educational significance may be achieved through the types of uses that the building accommodates and its accessibility to others.

The Conservation Plan includes a series of Outline Conservation Principles that are the benchmarks and guidance that should as far as possible be followed to guide the repair and adaptation of the building for future use. These principles will form the baseline from which the future use options for the building will be assessed with regards to the impact on historic fabric and appropriateness for the building. The principles will also inform the development of detailed scheme designs for the redevelopment of Custom House.

5.0 THE ISSUES

Any redevelopment of Custom House will need to address a number of significant issues to create a building that is open and welcoming, as well as secure in terms of its future viability and fabric condition. The following key issues have been identified and will require careful consideration as the project develops:

5.1 Current Condition of the Building

A Condition Survey Report was prepared in December 2019 (updated in March 2020) by Simpson & Brown with Richard Murphy Architects Ltd and is included as Appendix 03. The report assessed the current condition of the building fabric of both Custom House and the Cruiser Store in terms of a further 60-year life span.

The report highlights that the general fabric of both Custom House and the Cruiser Store is in adequate condition however, a number of elements will require repair, renewal or replacement in the short to medium term simply as they are nearing the end of their natural life having served the building for over two centuries.

The main roof to Custom House is in a “good” condition both in terms of slate and lead coverings, although there are localised areas of repair that are needed. The flat roofs to the single storey East and West wings of Custom House are considered to be in “adequate to poor” condition and will require replacement in the near future. The three large cupolas of Custom House need further investigation but the report concluded that these elements should be considered for full replacement due to the “poor” condition of the timber elements. The roof to the Cruiser Store is in an adequate condition however reinstatement of rooflights to the South elevation may consequently require additional works to the slate roof covering.

The rainwater goods and SVP pipes to both buildings are generally in “adequate-to-poor” condition and would benefit being replaced on a like for like basis. There may even be an argument to increase the size of rainwater goods (with statutory approval) to cope with the increased intensity of weather being experienced due to climate change.

The masonry of the buildings is generally in “good” condition and has lasted well since the original construction of the building. There will be some localised stone repairs needed but these are not thought to be extensive. There is some evidence of open joints at high level balustrading which requires further investigation.

The main windows and external doors to Custom House and the Cruiser Store are also generally in “adequate” condition and with repair and refurbishment should be able to be retained with only minor replacement of units needed.

Internally the plaster to the walls is in “adequate” condition with localised repairs needed throughout especially where water ingress has occurred previously. Much will depend on the level of physical intervention taken forward in the development. The existing services, many of which are surface mounted, will need significant replacement therefore there may be additional plaster repairs required once these are removed/replaced.

The Condition Survey analysis of Custom House and Cruiser Store identified 198 (143+55) items relating to the elevations, 50 (41+9) relating to the roof areas and 150 (143+7) relating to the internal areas. These were categorised as either *Immediate*, *Urgent*, *Necessary* or *Desirable*. More detail can be found in the Condition Survey Report.

The Condition Survey Report offers recommendations to ensure that each component of the building can last a further 60 years - whether by full replacement, repair, protective measures or interventions, upgrading and/or continued maintenance. The report also

contains a recommended Repair Strategy for the external and internal fabric repairs and how these could be phased and/or incorporated within a future development.

5.2 General Access

After the fabric condition of the building, possibly THE most significant issue facing Custom House and the stated aim of creating an open and welcoming venue for any of the potential uses is access, both in terms of entering the building and movement within the building.

The current main entrance, one of the most significant alterations made by William Burn in 1824-25, requires building users to ascend a set of external steps to reach the main door. Upon entering the building, the user is faced with negotiating steps to either return down to the ground floor level or up to first floor level.

Secondary external access to the building from the West (Dock Place), North (Custom Lane), or East (Custom Wharf) is via steps, with the only current accessible entry point being via the loading bay and a ramped corridor into the West breakout space of the ground floor.

Internally, once inside the building, all of the accommodation on the ground floor is generally accessible on a single level although the level access route between East and West on the ground floor involves a fairly mean passageway behind the main stair.

Vertical access between ground and first floors is only provided by the William Burn designed central feature staircase. No other stairs or means of vertical access is provided in the main building from ground floor. Access to the attic space from first floor is by means of a secondary stair located off the West central space or via a small spiral stair located off of the East central space.

Access throughout the first floor is on a single level with no other level changes. The attic floor, similarly, is on a single level, however existing (redundant) ventilation ducting restricts unimpeded access throughout.

Resolution of accessible external entry to the building, unimpeded access throughout each habitable floor, and vertical access for all to the Ground, First and Attic floors is crucial in any development proposal and will require significant skill and attention to detail to successfully integrate the solution within the A listed historic fabric.

Similarly, the Cruiser Store, whilst more accessible from Custom Lane to the ground floor level, would benefit from a developed and considered solution to obtain vertical access to the first-floor accommodation. There are changes in level throughout the ground floor which will need to be accommodated in any proposals.

It should also be noted that the first-floor level of the East and West pavilions of the Cruiser Store are higher than the first-floor level of the central accommodation with stepped access provided internally. Again, consideration on how these level changes can be accommodated would need careful exploration.

5.2.1 Disabled Access

The overall accessibility of the building is poor and, at present discriminates against both visually impaired and mobility impaired persons. This is largely due to the following:

- Steps from public footpath to raised entrance for main building from Commercial Street;
- Steps to external access points to the ground floor of the main building from East (Custom Wharf), West (Dock Place) and North (Custom Lane);
- A single ramped access point is provided to the ground floor of the main building from Custom Lane through the existing loading bay;
- No lift within either the main building or Cruiser Store and therefore no accessible circulation to the upper floors;
- Changes in levels and steps on each floor within the Cruiser Store;
- Limited accessible toilet provision;

- Poor signage and visibility of entrance locations generally, and specifically for accessible entry;
- Poor / temporary signage at entrances, receptions and in circulation areas;

5.2.2 Fire Escape

The current building layout provides limited fire escape options especially as there is only a single stair from ground to first floor, and all bar one of the fire exit points are via steps. The building has no fire suppression system and limited fire compartmentation.

Provision and incorporation of additional protection systems and escape routes within a traditional building are a challenging but necessary alteration. Again, the key will be to ensure the existing fabric is respected where possible.

5.2.3 Custom Lane Access

Custom Lane runs from East to West between Custom House and the Cruiser Store. Whilst pedestrian passage is possible from one end to the other the significant presence of the boiler room, oil tank and chimney as well as the later extension of the loading bay, detract from this potential open space. It is acknowledged that the original boiler room was part of the Robert Reid layout from the outset, however the potential to create a public space within the Lane which attracts pedestrian access and activity does need to be explored and the advantages / disadvantages assessed.

An open, publicly accessible, Custom Lane outdoor space has the potential to open up both the North elevation of Custom House and the South elevation of the Cruiser store to create an interaction between the two buildings which is completely lacking at present.

5.2.4 Parking and Public Transport

Custom House benefits from private car parking facilities from Dock Place leased from Forth Ports to tie in with the main building lease period. Vehicular access is also provided to the East, on Custom Wharf however ownership of this area is still to be resolved fully.

No specific accessible parking space has been identified serving Custom House and no electric vehicle charging point is available for building users. Outwith Custom House, Leith currently enjoys FREE parking in designated areas. (on street and off-street parking facilities)

Cycle parking and changing facilities are not provided at Custom House with an ad-hoc system of securing bicycles to the external railings on Commercial Street (discouraged by the building management) or tenants lifting bicycles up the steps and storing in internal circulation areas. Some cycle storage racks are available for tenants of the Cruiser Store within Custom Lane however the capacity does not meet the demand.

The building is well located for public transport with main bus routes stopping immediately in front of Custom House. The city tram network is also being extended to Leith (Trams to Newhaven project) with stops being located close by at Bernard Street, Ocean Terminal, & Victoria Quay.

The City Plan 2030 seeks to mitigate the impact of climate change and together with the councils City Mobility Plan will aim to widen travel choice and reinforce the national sustainable travel hierarchy that promotes walking, wheeling, cycling, public transport and car sharing in preference to single occupancy car use.

5.3 Spatial Layout

The alterations to the internal layout of the main Custom House building, implemented by William Burn in 1824, is still primarily what exists as the current building layout. At both ground and first floors there is a series of three connected central circulation spaces forming the “spine” of the building from which all of the perimeter, cellular accommodation can be

accessed. These perimeter rooms are a variety of sizes, each with access to daylight and natural ventilation.

The central circulation spaces to the first floor are lit by cupola rooflights within the domed ceiling. At ground floor level however, the East & West circulation spaces have no direct access to daylight or natural ventilation.

The West circulation space at first floor level is likely to have been the “Long Room” for the Custom House, with arched openings through to adjacent spaces to the North and South of the building.

The original Robert Reid designed entrance routes, from East & West external courtyards, have been significantly altered and the external courtyards filled in with accommodation. Some of the features of this original arrangement are still in place although partially concealed by future reorganisation and partitioning.

5.4 Physical and Visual Connections to External Spaces

Custom House is a detached building which has significant surrounding external space to both the East (Custom Wharf) and West. (Dock Place). The current use of the space to the west is as a private car park, although this space also hosts the weekly Leith Market every Saturday. The building is separated from the Dock Place car park by a high wall, topped with barbed wire, which results in the building looking more “prison” like than a welcoming, community venue.

To the East (Custom Wharf) more ad-hoc activity takes place, mainly due to the accessible quayside location, with visitors to the retail units and café, as well as the wider Leith community inhabiting the space. Access is also provided from the Wharf to Custom Lane and the creative activities and businesses that occupy the Cruiser Store accommodation. The main Custom House however, even with direct access to this area, does not really engage with the external space or water beyond due to the significant ground to floor level difference.

Similarly, Custom House does not engage in any meaningful way with the external space of Custom Lane. Again, the level difference between ground and floor level, as well as the high sill level of the ground floor windows to the North elevation of Custom House act as barrier between the internal and external spaces.

Generally Custom House, with its original function as office accommodation for HM Customs and Excise did not require these connections to the wider community however resolution of these barriers will be needed in some manner for a building that hopes to welcome the general public.

5.5 Historic Fabric

Through all of the potential options and interventions that will be explored it is paramount to retain the Category A listed status of the building and respect for the historic fabric. Whilst the building's original layout by Robert Reid has been significantly altered it needs to be remembered that the William Burn alterations themselves are now nearly 200 years old.

Clearly there will always be issues between what was accepted 200 years ago and how a public facing building must operate today. Finding a balance that helps conserve the past whilst providing a use for the future will be one of the key challenges to be addressed.

To improve the accessibility, circulation and usability of the building it may be necessary to undertake some major structural interventions, including the provision of a lift and formation of additional access stairs and toilet facilities. Such interventions should be located, if possible, in areas of lesser significance in order to minimise the impact on the historic fabric and plan form.

It should be noted that the building's “A Listed” status does not preclude development and potentially significant alterations however it is clear, and accepted, that any development,

internal or external, should be sensitive to the buildings historic fabric and provide a benefit to the building's future use and the wider community.

The Conservation Plan for Custom House prepared by Simpson and Brown (See Appendix 07) is a key document in terms of understanding the importance of the historic fabric and determining how to approach alterations and improvements whilst respecting the buildings A-listed status.

5.6 Ancillary Accommodation

It is clear that the current building lacks the necessary amenities (toilets, kitchen, cleaning etc) for the scale of the building and current number of occupants. Any potential development will likely increase the building occupancy and therefore need to increase the level of ancillary accommodation to meet modern standards.

The building layout is essentially a series of perimeter rooms accessed from central circulation areas. It is therefore challenging to provide ancillary accommodation without impacting some of the existing rooms. Again, finding a balance to accommodate the necessary provision without impacting (or detracting) from the original layout will be a key challenge.

5.7 Attic Accommodation

The attic of Custom House was originally intended as a secure store with goods hoisted from the lane and access provided from a single secure stair from the first floor. The floor area of the attic is large however the sloping roof pitches reduce the available head height within the space and the three large domed rooflight voids and supporting stone walls further reduce useable floor space and circulation potential.

Additional accommodation within the attic would clearly benefit the long-term economic sustainability of the development however the impact of additional rooflights/dormer windows, servicing, fabric upgrading etc as well as the impact on the historic nature of the existing fabric may preclude development of this space.

5.8 Building Services

A survey of the existing building services was undertaken by Ramboll and the report from October 2019 is attached as Appendix 06. The report confirms that the current building services are dated and no longer fit for purpose. There have been piecemeal, uncoordinated, improvements and upgrading of the building services over many years, including the surface mounted installation of ducting, conduit and cabling, which all have had a negative impact on the building's historic fabric. The proposal being put forward as part of this study is to replace the existing building services in full.

Incoming utilities (electricity, water, comms etc) will require to be upgraded during any future redevelopment project and the location of a centralised plant room and local distribution points within the buildings will be a crucial investigation as the project develops.

Both the main building and Cruiser Store are currently heated centrally from an oil-fired boiler housed in the original boiler room in Custom Lane. There is very limited insulation of the large bore distribution pipework and many of the radiators are undersized for the rooms they serve. Consequently, many of the tenants augment their room comfort with ad-hoc electric heaters. The impact of this inefficient system of heating is an uneconomical and uncoordinated control of heating provision within the building and the wasteful consumption of energy, which in relation to climate change and current energy prices is unsustainable.

Hot water is provided via individual, point of distribution, electric water heaters in the kitchen and toilet accommodation. This was an effective short-term solution to get the property up and running with additional toilet facilities. The units are from a variety of manufactures with no coordinated servicing potential.

Much of the air handling ducting and environmental control units needed when the building was used as a Museum Store by NMS are still incorporated in the building fabric, including the mechanical plant in the attic. These are all redundant and will require to be carefully removed and the building fabric repaired as necessary.

The existing fire and security systems were augmented when SHBT took control of the building however these will need fully reviewed in relation to future use and layout of the building and new systems installed to meet current requirements to protect the building occupants and the historic building fabric. There is currently no fire suppression system installed in the building.

Additional small power distribution has been installed throughout the building however much of this has been surface mounted in trunking / conduit. Similarly, data provision has been installed throughout, again in surface mounted trunking / conduit. A clear strategy for replacement power and data provision, designed to meet the anticipated needs of the future occupants and room uses, will be required, with these appropriately located within the existing historic building fabric.

Generally, the current lighting provision throughout is inefficient fluorescent light fittings. Energy efficiency improvements have not been undertaken to date and all of the buildings internal and external light fittings will require to be replaced to meet modern energy standards and the wider energy and aesthetic strategy for the building.

Existing foul and surface water drainage systems will need to be fully reviewed and altered as required to meet both new occupancy layouts proposed as well as the impact of climate change. A review of the sizing of rainwater goods (Gutters, downpipes, catch pits, hoppers etc) in particular is crucial to ensure the tolerable capacity can accommodate the significant increase in rainfall intensity being experienced in current weather patterns.

5.9 Climate Change

The impact of climate change on our historic buildings cannot be underestimated. We are seeing evidence of more severe weather events and protection of our heritage assets needs to be considered. This could manifest itself in any number of ways, from increasing the sizing of existing rainwater goods when replacements are needed to changing the servicing arrangements for a property.

The need to adopt alternative solutions needs to be carefully considered with the aim of reducing the buildings carbon footprint, consuming fewer natural resources whilst respecting the buildings qualities especially when working with the fabric of an A listed property.

Custom House was constructed over 200 years ago with materials and detailing available at the time. Whilst some alterations have taken place over the intervening period the building fabric is still, essentially, intact, and is “traditional” in nature. In general, the building envelope is un-insulated with single glazed sash and case windows and mass masonry walls. The building services require to be replaced in full with the current oil-fired heating system of particular concern both in terms of operational reliability and its impact on the environment.

The aim for any future development and/or re-purposing of Custom House, and indeed for any future SHBT managed building, is to look to current best practice and how a traditional building can be enhanced to become as sustainable as possible, not just in terms of,

primarily, its use of natural resources and impact on the environment but also its operating costs and economic viability.

Being over 200 years old and still retaining many original materials and features, Custom House has significant embodied energy within its fabric and it is essential that proposals to “upgrade” the energy strategy for the building as part of any development respect the buildings significant historic status and work with the traditional materials. The use of modern interventions needs to be carefully considered to ensure the impact on the building is minimised and that unintended detrimental issues are not imparted.

It is crucial to SHBT, in the way that we look to develop buildings, that localised opportunities for renewable energy generation are fully explored. In terms of Custom House, with the building’s proximity to a significant body of water, the potential to harness that energy in some manner is an obvious source for exploration. Likewise, with significant areas of land around Custom House there is the potential to explore ground source heating solutions.

The research so far, conducted as part of this study, indicates that the technology exists to make a significant contribution to the energy demands of Custom House through renewable energy / micro generation solutions, all be it with a higher capital outlay and likely increased space requirement for associated plant and equipment.

An independent assessment of the energy consumption, and report on the feasibility for low carbon energy supply options at Custom House was prepared by Mace in May 2018, with support from Scottish Enterprise. (included as Appendix 13) This study informed the design team as part of their research in to potential solutions for a redeveloped Custom House, however it is acknowledged that greater research and detailed development, including consultation with key stakeholders (including conservation, ecology, Archaeological and renewable energy bodies) will be required to ensure that the most appropriate scheme can be developed and adopted within a re-purposed Custom House.

5.10 Current Uses & Building Management

Custom House is currently owned by the City of Edinburgh Council with SHBT awarded a short-term lease until development proposals are completed, at which point SHBT will take a 99 Year Lease. SHBT have extensive experience in managing traditional buildings with multiple tenants and are responsible for the general management, security and day to day upkeep of the building.

SHBT have undertaken significant repairs to the building fabric when it took over direct management and now continue to operate on a reactive basis to arrest further decay and ensure that the property remains in good order, habitable for the tenants, and that defects are not allowed to manifest into wider damage to the building.

The aim of the “meanwhile” use was to open up the property which had been inaccessible to the general public since 1980 whilst used as a storage facility by the National Museum of Scotland.

SHBT carried out some basic alterations (including installation of toilet provision throughout the building) and offered individual spaces for rent to creative practitioners. This “low input – low output” model has been very successful with the workspaces generally achieving 100% occupancy.

Space within the building, generally to the East (Custom Wharf / Water of Leith) was identified and made available to the community for meetings, events, exhibitions etc. including the Gallery space with its wonderful plaster ceiling.

The Cruiser Store was sub-let by SHBT and now, branded Custom Lane, hosts a range of business, creative and community spaces including a café, and the Edinburgh Tool Library.

The current “meanwhile” use demonstrated the potential for a mixed creative use to inhabit the building successfully, whilst allowing engagement with the wider community.

SHBT also took a lease to the Car Park at Dock Place to enable the Leith Market to continue to operate every Saturday throughout the year. During the week the car park is offered to let to the tenants of the Custom House and wider community within Leith.

Without a future sustainable development plan and strategy to resolve the buildings outstanding defects there is a significant risk that SHBT, with no long-term lease, would not be able to access the funding streams necessary to repair / redevelop the building in full, resulting in the “meantime” use becoming unsustainable and the fabric decay accelerating to the point where part, or indeed all, of the building becomes uninhabitable.

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6.0 PLANNING CONTEXT

6.1 Statutory and Non-Statutory Designations

6.1.1 Listed Building

Custom House, 67 Commercial Street, Leith is listed at Category A in Historic Environment Scotland's statutory list of buildings of special architectural or historic interest (ref LB26787 - see Appendix 01). This means it is deemed to be a building 'of special architectural or historical interest which is an outstanding example of a particular period, style or building type'. Custom House was listed on 14th December 1970.

6.1.2 Conservation Area

Custom House, 67 Commercial Street sits within the Old Leith and the Shore Sub Area of the Leith Conservation Area (ref CA612). According to the specifications laid out the S.61 Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997, this means it is part of "an area of special architectural or historic interest, the character or appearance of which it is desirable to preserve or enhance".

The Leith conservation area is recognised by the City of Edinburgh Council for its:

Unique and complex architectural character, the concentration of buildings of significant historic and architectural quality, the unifying effect of traditional materials, the multiplicity of land use activities, and the importance of the Water of Leith and Leith Links for their natural heritage, open space and recreational value.

6.1.3 Nearby Designations

There are 37 other listed buildings in an approximate 250m radius from the Custom House. They are illustrated in **Figure 8** below.

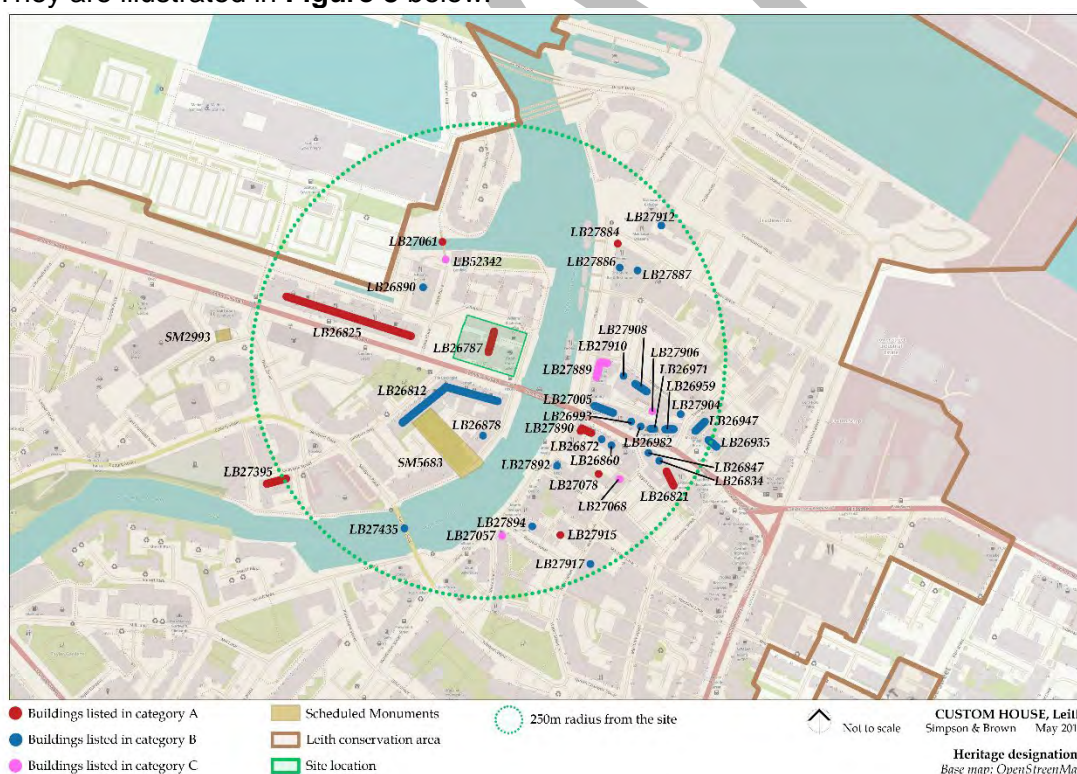


Figure 8 Map showing the site (in green) and designations in a 250m radius. *Base map: OpenStreetMap*

6.1.4 CECAS Historic Environment Record

The City of Edinburgh Council Archaeology Service (CECAS) maintains an Historic Environment Record (HER), which is accessible through the Canmore database.

The Custom House is recognised as two separate HER sites: the Custom House (Canmore ID 52018) and the stables (Canmore ID 258548). Within an approximate 250m radius, there are over 150 HER sites. They consist of listed and unlisted buildings, structures, and sites of events or finds, all with archaeological interest.

6.2 Planning Policies - National and Local

The Scottish Planning Policy (SPP) and Historic Environment Policy for Scotland (HEPS) together set out the Scottish Ministers' policies for planning and the historic environment. These should be read in conjunction with relevant Planning Advice Notes (PANs) and also with the Managing Change in the Historic Environment Guidance Notes produced by HES. The advice and policies laid out in these documents should be considered by planning authorities when determining applications for listed building consent or planning permission for development which may affect the historic environment. Developers should also take Government policy and guidance on the historic environment into account when forming development proposals.

6.2.1 The Scottish Planning Policy (2014)

The **Scottish Planning Policy** (2014) sets out national planning policies which reflect Scottish Ministers' priorities for the operation of the planning system and for the development and use of land. The SPP promotes consistency in the application of policy across Scotland whilst allowing sufficient flexibility to reflect local circumstances.

It includes an explicit recognition of the need for informed conservation, to understand the significance of historic sites and the potential impacts that any proposed development might have. It also emphasises the need to 'enable positive change in the historic environment' based on well-informed understanding.

The most relevant aspects of the SPP can be found in paragraphs 141 and 142 which together set out national policy as applies to listed building:

141. Change to a listed building should be managed to protect its special interest while enabling it to remain in active use. Where planning permission and listed building consent are sought for development to, or affecting, a listed building, special regard must be given to the importance of preserving and enhancing the building, its setting and any features of special architectural or historic interest. The layout, design, materials, scale, siting and use of any development which will affect a listed building or its setting should be appropriate to the character and appearance of the building and setting. Listed buildings should be protected from demolition or other work that would adversely affect it or its setting.
142. Enabling development may be acceptable where it can be clearly shown to be the only means of preventing the loss of the asset and securing its long-term future. Any development should be the minimum necessary to achieve these aims. The resultant development should be designed and sited carefully to preserve or enhance the character and setting of the historic asset.

6.2.2 Historic Environment Policy for Scotland (2019)

This policy statement by HES, along with their **Managing Change in the Historic Environment** guidance note series, are the documents to which local planning authorities are directed in consideration of applications affecting historic environment assets in their jurisdiction.

HEPS is a policy statement directing decision-making that affects the historic environment. It is non-statutory, which means that it is not required to be followed as a matter of law or statute. It is relevant to a wide range of decision-making at national and local levels. It is supported by detailed policy and guidance.

HEPS is intended to 'support and enable good decision-making about changes to the historic environment.' and identifies six key policies for managing the historic environment:

- HEP1 Decisions affecting any part of the historic environment should be informed by an inclusive understanding of its breadth and cultural significance.
- HEP2 Decisions affecting the historic environment should ensure that its understanding and enjoyment as well as its benefits are secured for present and future generations.
- HEP3 Plans, programmes, policies and strategies, and the allocation of resources, should be approached in a way that protects and promotes the historic environment.
- If detrimental impact on the historic environment is unavoidable, it should be minimised. Steps should be taken to demonstrate that alternatives have been explored, and mitigation measures should be put in place.
- HEP4 Changes to specific assets and their context should be managed in a way that protects the historic environment. Opportunities for enhancement should be identified where appropriate.
- If detrimental impact on the historic environment is unavoidable, it should be minimised. Steps should be taken to demonstrate that alternatives have been explored, and mitigation measures should be put in place.
- HEP5 Decisions affecting the historic environment should contribute to the sustainable development of communities and places.
- HEP6 Decisions affecting the historic environment should be informed by an inclusive understanding of the potential consequences for people and communities. Decision-making processes should be collaborative, open, transparent and easy to understand.

6.2.3 Planning Advice Notes

Relevant Planning Advice Notes that should be consulted include:

- PAN 2/2011: Planning and Archaeology
- PAN 71: Conservation area management and planning advice
- PAN 59: Improving Town Centres

6.2.4 Local Planning Policy Context: Edinburgh Local Development Plan

The Edinburgh LDP was adopted in November 2016.

The LDP sets out policies and proposals relating to the development and use of land in the Edinburgh area. The policies in the LDP will be used to determine future planning applications.

Concerning conservation areas, it mentions that:

Across Edinburgh there are a number of designated conservation areas. These are areas of special architectural or historic interest, the character or appearance of which should be conserved or enhanced. A quarter of Edinburgh's urban area lies within a conservation area. Each conservation area has its own unique character and appearance that is identified in a character appraisal. The underlying principle behind the designation of the conservation areas is to maintain the variety of character that illustrates the history of Edinburgh. An ongoing review of conservation areas will consider amendments to boundaries, opportunities for enhancement, and the designation of new conservation areas. In conservation areas, consent is required for

changes such as demolitions and window alterations, which elsewhere in the city wouldn't require permission. This additional level of control helps to ensure that small scale incremental changes do not damage the character of the conservation areas.

Concerning listed buildings:

Listed Buildings are buildings of special architectural or historic interest. Edinburgh has the greatest concentration of listed buildings in Scotland – around 5,000 listed items comprising 31,500 individual buildings. 75% of buildings in the World Heritage Site are listed. Listed buildings have statutory protection, which means that listed building consent is required for the demolition of a listed building, or its alteration or extension in any manner which would affect its character. Some proposals may also require planning permission. Development plan policies have a role to play in helping to protect listed buildings, their setting and features of special interest.

6.2.5 Proposed Edinburgh LDP: City Plan 2030

City of Edinburgh Council have prepared a draft local development plan, titled **City Plan 2030**. The proposed plan sought input from consultees up to December 2021, with the aim of a final plan being submitted to Scottish Ministers in 2022.

The above statements in relation to Conservation Areas and Listed Buildings are included in the proposed plan. Other key aims within the new City Plan, relevant to a future Custom House development, include:

Delivering a network of 20-minute walkable neighbourhoods and embedding a 'place-based' approach to the creation of high quality, high density, mixed-use and walkable communities, linked by better active travel and public transport infrastructure, green and blue networks and bringing community services closer to homes.

Implementing environment policies to deal with climate change mitigation and adaptation, protect our beautiful green setting, increase biodiversity, physical and mental wellbeing, reduce flooding and other climate impacts, and improve air quality.

Edinburgh needs to be resilient, adaptable and address the impacts of climate change, contributing to the delivery of a net zero city by 2030. We also want Edinburgh to be a sustainable and healthy city which protects and enhances its natural, historical and community assets.

The proposed plan also identifies significant development potential in a variety of locations within North and East Edinburgh which may have a potential impact on a future Custom House development, specifically within Edinburgh Waterfront. (Leith Western Harbour, Central Leith Waterfront, East of Salamander Place, and Northern and Eastern Docks)

The plan proposes to “ensure the regeneration of Edinburgh's Waterfront comes forward in a planned manner within the context of a long-term vision.” There will also be a requirement for the “provision of local retail facilities and leisure and tourism attractions, including water related recreation in and around retained harbours.”

The City Plan 2030 also refers to Environment and Design policies regarding development of listed buildings in the following sub sections:

Env 11 Listed Buildings – Setting

Env 12 Listed Buildings and Structures – Alterations and Extensions

Env 14 Conservation Areas - Development

The proposed plan refers to Economy Policies and in particular the following sub section with regards to a future Custom House development:

Re 9 Entertainment, Leisure and Café/restaurant Developments – Preferred Locations

Planning permission will be permitted for high quality, well designed arts, café/restaurant, leisure and entertainment facilities and visitor attractions in the City Centre, at Leith and Granton Waterfront, in a town centre, and local centres provided:

- a. the proposal can be integrated satisfactorily into its surroundings with attractive frontages to a high quality of design that safeguards existing character,*
- b. the proposal is compatible with surrounding uses and will not lead to a significant increase in noise, disturbance and on-street activity at unsocial hours to the detriment of living conditions for nearby residents,*
- c. the development will be easily accessible by public transport, foot and cycle.*

Policy Re 9 also states:

Entertainment and leisure uses will be a key component of the major regeneration proposals at Leith Waterfront and Granton Waterfront and are also appropriate in town centres and local centres, contributing to the diversity and vitality.

The City Plan 2030 provides a framework within which the Custom House development can be delivered. Discussions regarding the 20-minute neighbourhood potential for the building are already underway and will be developed during the next stage of the design development for the building. Over 1,300 new residential units within a 10-minute walk from Custom House have been, or will be, delivered in the coming years making Custom House an ideal location to engage with both the existing and increased community. The buildings location, close to public transport, particularly the Tram line extension to Newhaven from the City Centre also has the potential to attract visitors from further afield, provided a high-quality attraction can be delivered. As a community focused building Custom House can play a major part in the drive to deliver sustainable, locally based services and also revitalise a major heritage landmark in the area for the future.

7.0 OPTIONS FOR RE-USE

Custom House was fortunate in that the building could be given a “meanwhile” use whilst development proposals are prepared. The building fabric and services, whilst challenging and in need of significant upgrading and repair was secure enough in the short term to allow occupation with only minimal investment.

The current “meanwhile” use, providing low cost creative studio accommodation, continues to be successfully delivered by SHBT (reaching 100% occupancy) and has demonstrated that this particular option could be pursued as a potential permanent use for an upgraded Custom House either as a standalone use or as part of a mixed-use development.

The building fabric however, does need considerable investment. If the essential and urgent repair works are not undertaken then the building will decay and will soon become unusable. The services alone need immediate investment including, but not limited to, the oil-fired boilers and heating system which is not fit for purpose and is unable to heat the building.

For these reasons SHBT, the City of Edinburgh Council and other interest parties are keen to see Custom House re-used in a manner that is appropriate to its significance and that will bring in the financial commitment required to bring the building into a good state of repair.

From the outset of its involvement SHBT set the bar high for the development of Custom House, befitting its category A listed status. Following a competitive tender process award winning practice, Richard Murphy Architects (RMA) were appointed to lead the highly experienced Design Team for the development.

Through rigorous investigation, consultation, and analysis, various options for a future use of Custom House have been explored, always with the engagement of the community in mind.

SHBT identified that engagement with the community of Leith was key to the development of a successful project and carried out consultations at every opportunity. A formal Community Consultation exercise was carried out by Janet Sylvester and Karen Chambers between November 2019 and January 2020 with the key findings being:

- That the building should “feel” open and welcoming to all local communities and convey a strong message about accessibility and inclusivity. Barriers to access should be minimised, including both physical and financial barriers.
- That the building should be capable of hosting permanent and changing displays related to the history and heritage of Leith, its cultural development and both national and international significance.
- That the building should include space for use by the community for events/classes but that this space should be appropriate and compliment what is available at other local venues.
- That the building should offer food and drink opportunities to enhance the wider attraction of visitors (both local and tourists) and experience for all of the building users.
- That the building should offer a range of small-scale workspace / studio accommodation similar to the current interim usage to create a vibrant community of occupants within the building to attract and engage with the wider community.
- That the building could be used as an opportunity to promote local products/artists which, in turn, could have a commercial potential to support the buildings community aspirations.

The responses from the various community consultations were examined to assist with the preparation of a vision for the Custom House development as well as identification of a long list of possible use options for the building.

7.1 Option Assessment Criteria

The following set of criteria was prepared to assess the Long List of potential uses and identify a short list of options for further development:

Options Evaluation Criteria

Potential demand for facilities that could be accommodated in Custom House.

(Max Score 5)

- Existing and planned similar use within surrounding area.
- Need and likely demand for use.

Benefit to the community.

(Max Score 5)

- Public benefits, in particular for the local community, including employment opportunities, public access and amenity of site and in relation to proposed new uses of buildings.

Architectural fit for historic building.

(Max Score 5)

- Spatial arrangement of uses. (logistics)
- Ability to accommodate use within the building curtilage.
- Building service requirements.
- Impact of use on historic fabric.
- Potential to enhance significance of the building.
- Servicing and access requirements.
- Environmental sustainability of use.

Potential capital project viability.

(Max Score 5)

- Potential fundability of capital project. (External funding sources)
- Potential fundability of capital project. (Local fundraising possibilities)
- Project delivery model

Potential ongoing sustainability.

(Max Score 5)

- Potential for income generation.
- Potential ongoing expenditure
- Potential property management by SHBT (or others)

7.2 Long List of Options: Assessment

A long list of 24No. potential uses, based on discussions with key stakeholders and the wider community, have been evaluated using the criteria above.

Each use was given a weighting under each of the criteria and the outcome of this assessment is provided in the table below. A score of 1 is low with a score of 5 being the highest.

The full assessment of the long listed potential uses is provided in Appendix 14.

Long List Use Options	Potential demand	Community benefits	Architectural fit for building	Capital Project Viability	Ongoing Sustainability	Total
Creative Studios / Workshops	5	4	4	4	4	21
Community Hub	5	5	5	3	3	21
Function Venue	4	4	4	4	3	19*
Museum / Heritage Display	5	4	4	4	2	19*
Archive / Local History	4	5	4	4	2	19*
Restaurant / Bar	4	2	3	4	5	18*
Rehearsal Space	4	3	3	4	3	17*
Flexible Office Suites	4	3	3	3	4	17
Art School	3	3	4	3	4	17
Mixed Cultural Venue	4	4	3	3	3	17
Conference / Meeting Space	3	3	3	3	3	15*
Art Gallery/Centre	3	3	4	3	2	15
Youth Centre	2	4	2	3	3	14*
Retail	2	3	2	2	4	13*
Library	1	4	4	3	1	13
Private Residential (Multiple)	4	1	3	2	0	10
Commercial Office (Grade A)	1	2	1	1	4	9
Hotel	5	1	2	0	0	8
Casino	2	1	4	0	0	7
Theatre	2	3	1	0	0	6
Nightclub	2	2	1	0	0	5
Health / Leisure Centre	2	2	1	0	0	5
Cinema	1	2	1	0	0	4
Storage Facility	1	1	1	0	0	3

Score of 1 = Low; Score of 5 = High; Maximum Total Score = 25

* Only deliverable as part of a mixed-use development.

From the list it can be seen that a number of the options that have scored highly, such as Function Venue, Restaurant/Bar etc. would only work as a part of a mixed-use development.

7.3 Short List of Options: Assessment

The long list of options was reviewed and assessed against the results generated by the Community Consultation, the required project outputs determined by key project stakeholders, and the external funding and project deliverability potential.

It became clear that a single use for Custom House would be challenging on a number of fronts and that a combined use development would offer greater potential to engage with the local community in the widest possible manner as well as provide a more robust, and importantly, sustainable future for the building.

The mix of uses was further assessed by the level of interventions required, with the design team offering potential solutions to the key issues identified in Section 5. Some of these solutions are relatively simple to incorporate in any design option, whilst others may prove more controversial, particularly from a conservation stand point. They are no less valid and should be considered on their merits and assessed in terms of the benefits that might accrue in the way the building operates and engages with the community, as well as the potential impact on the historic fabric. Significant discussions with statutory bodies and conservation groups have not formed part of this study and dialogue would be needed as part of any future development stage.

Based on the long list scoring the developed options contain a mix of some or all of the following uses:

- Creative Studios / Workshops
- Community Hub
- Function Venue
- Restaurant / Bar
- Museum / Heritage Display
- Archive / Local History

Each short-listed option incorporates the same level of repairs to the building fabric recommended in the Condition Report to ensure that Custom House is in as good a condition as possible no matter which development option is pursued. The design team have also identified locations for additional stairs allowing access from ground floor to attic within the northern rooms of the main building in every option, increasing the flexibility of the building operation and improving the emergency escape provision from all floors. The introduction of a lift from ground floor to attic has also been identified in every option to make the building fully accessible to ALL potential users.

A layout for the attic level has been identified however due to circulation and emergency escape provision and the physical constraints of the attic fabric the layout proposed is the same for each option.

Future servicing of the building and, in particular, a target to significantly reduce energy consumption and the incorporation of renewable energy technology within a traditional building have been explored in principle as part of the study (See Appendix 11 – Services Report) and it is the stated aim of SHBT to incorporate a strategy for all future development projects which will address climate change issues and reduce the carbon footprint of our properties where possible.

Renewal of all building services and new utility connections are included in the proposals however further exploration of the incorporation of any renewable technology or energy efficiency measures will be fully investigated in a future development phase.

It should be noted that the potential future use of the current Dock Place car park, and how this area could compliment the redeveloped Custom House, will be considered in the next development stage of the project once a preferred option is identified for the building.

Based on the above the following options have been identified:

- Option 1 Enhanced existing use including creative studio accommodation
- Option 2 Ground floor commercial use supporting wider community facilities and heritage display on first floor
- Option 2A Ground floor commercial use supporting wider community facilities and heritage display on first floor (Retention of Central Stair)
- Option 3 Mixed-use commercial, community, & creative hub
- Option 4 Mixed-use community and creative hub

As identified in section 1.1 “The Question of a Museum for Leith”, a single use Museum building was identified and discussed at length early in the feasibility study process but could not be justified as deliverable in the current economic climate.

City of Edinburgh Council have confirmed that they are not in a position to develop or operate a single use Museum of a scale of the entire Custom House building. Such an undertaking would therefore require identification of a significant third-party organisation with a proven track record of delivering and operating a venue of the scale of Custom House. To date no such third party has been identified.

It is however central to the Custom House development to incorporate some form of heritage display provision in the proposals. Each of the short-listed options within this study therefore includes a provision of Heritage Display which would allow significant access for the community and visitors, and be underpinned by other income generating uses.

It should be noted that the COVID-19 Pandemic has significantly impacted many areas of our lives. Interest in the idea of the ‘20-minute neighbourhood’ has grown around the world putting a spotlight on the importance of the liveability of where we live. The way that we engage with heritage has also changed and the idea of the creation of a series of both fixed and flexible spaces to assist City of Edinburgh Council, or other community based third party organisation, deliver heritage outputs at a local level and meet the potential changing demands of the local community is included in the proposals for Custom House. This study acknowledges the development of proposals by the Heart of Newhaven Community group for a Newhaven Heritage Centre as part of the former Victoria Primary School community proposals.

The proposed heritage display(s) at Custom House would generally be curated by the City of Edinburgh Museums and Galleries and the spaces would be both secure and environmentally conditioned for the appropriate display of identified artefacts. Some initial discussions have already taken place to that end and it is anticipated that further discussions would take place during the development phase of the project with Council Officers to ascertain the scale, curation, and interpretation of heritage display elements within a future development. The identified options within this study would all provide flexibility of space to accommodate a variety of Heritage Display elements and there would also be potential to discuss the inclusion of displays from other providers and/or local community / third party organisations which might operate on a permanent or temporary basis.

Likewise, the “what” of any permanent display will be investigated more thoroughly in the development phase of the Custom house project but there are many options available that would create a significant attraction to locals and visitors alike.

The consultation for this study found that it is crucial to the long-term success of the project that space can be allocated within a redeveloped Custom House for both permanent collection display as well as touring exhibitions. This would encourage a greater number of return visitors, assist in the development of a vibrant community asset, and increase the income generation potential of the Custom House.

The assessment on the “fit” within the historic building, challenges associated with delivery of the project, indicative project costs, estimated project funding, potential annual rental

income, and project viability potential is summarised on the following pages for each of the short-listed options.

Ground and First Floor plans have been included for each short-listed option for reference. Full design layouts and further information of the short-listed options are included within the Richard Murphy Architects Feasibility Report. (See Appendix 08)

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7.3.1 Option 1 Enhanced existing use including creative studio accommodation

This option explores how the existing use of spaces within Custom House could be enhanced to offer improved accommodation and facilities, a greater degree of accessibility to, and within, the building for ALL building users and visitors, and incorporation of heritage display within circulation spaces made accessible to the public.

The main building would accommodate creative studio accommodation within the existing perimeter rooms on the ground and first floors generally and in the developed attic accommodation. Existing natural daylight to the ground and first floor rooms would be augmented with improved heat, light, power and data provision to make these spaces extremely attractive to future tenants. Similarly, the proposed attic accommodation can be developed with significant new openings for natural daylight and natural ventilation as well as more intimate creative spaces for use by individuals.

Heritage display would be contained within the central circulation spaces on the ground and first floors, augmented with additional space in flexible community accommodation formed to the East of the ground floor as a suite of community rooms accessible from either the main circulation space or directly from Custom Wharf, or in the central rooms on the north of the first floor. The community rooms would be capable of accommodating a variety of uses including meetings, classes, events, functions and talks as well as exhibitions and displays. Areas devoted to, or capable of hosting, heritage display, either permanently or on an ad-hoc / touring basis, would be both secure and environmentally conditioned for the appropriate display of artefacts, making a truly flexible set of accommodation that can adapt to future demands within the community.

In this option the Cruiser Store building would retain much of its current use, with commercial or community spaces and café on the ground floor and creative studio space on the upper floor, with general fabric repairs and necessary improvements proposed. Indeed, this option would potentially allow a phased development to be undertaken, with the main building refurbished in full, including re-servicing, whilst the existing Cruiser Store occupation continued and then a future phase of works incorporating the redevelopment of the Cruiser Store would be planned with existing tenants decanted to the refurbished main building. Similar to the current arrangement, the Cruiser Store could be sub-let and operated / managed independently by a third-party organisation.

The focus of this option is to enhance the usability of the buildings whilst retaining as much of the original historic fabric as possible. The current “meanwhile” use, providing low cost creative spaces, has demonstrated that such a use is both popular and viable in the long term, as well as assisting with the development of a close-knit community of like-minded individuals within the building who also engage with the wider community of Leith.

The existing “formal” entrance to the main building from Commercial Street, with the stepped arrangement internally and externally introduced by William Burn in 1824, would be retained, with additional accessible entry points formed to the north in Custom Lane. Whilst the Commercial Street entrance would be inaccessible to some, this option has the advantage, through careful design, of encouraging pedestrian traffic for both the main building and Cruiser Store to Custom Lane via both Dock Place and Custom Wharf, creating a vibrant “street” environment, and linking the main building and cruiser store activities in a far more robust manner than the current arrangement can achieve.

The breakdown of accommodation is fully detailed in Appendix 15 however a summary of the accommodation area per type is shown in figure (7.i) below.

Option 1 - Enhanced Existing Use

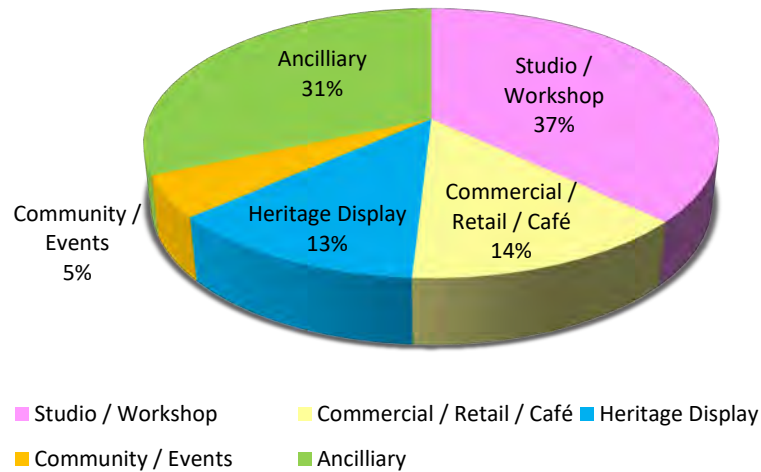


Figure (7.i) Area analysis of Option 1



Enhanced existing use including creative studio accommodation	
<i>Fit within the building? (See Appendix 08 for full drawings)</i>	<p>This option improves the accessibility of the main building whilst retaining much of the historic fabric, particularly the feature elements such as the formal entrance arrangement.</p> <p>The proposed use is an enhancement of the current “meanwhile” use (Creative Studios) which has successfully operated since SHBT took on the management of the building, with the addition of increased access for the public and the formation of permanent and flexible spaces for community use and heritage display.</p> <p>These uses can be accommodated, generally within the existing room arrangement thereby retaining the historic fabric of the building.</p>
<i>Townscape Impact</i>	<p>Enhancement of the public amenity of the local area with the creation of additional public space in Custom Lane, linking Dock Place and Custom Wharf and the main Custom House and Cruiser Store activity.</p> <p>Reinforcement of the public area for Leith Market and other public events.</p> <p>Provision of a high quality cultural and artistic resource within a restored landmark building in Leith will notably contribute to the land-use mix and vitality of the local community.</p>
<i>Market Demand</i>	<p>Custom House is currently 100% occupied with new enquiries on a regular basis for space. (Even after the impact of Covid 19)</p> <p>Other local creative facilities are also 100% occupied with a waiting list for simple, low cost, robust space.</p>
<i>Challenges associated with delivery of the project.</i>	<p>The focus for entry to the building will need to be carefully designed to ensure the Custom Lane entry points are considered equal to the existing “formal” entry from Commercial Street.</p> <p>The accessibility from East to West internally through the ground floor is compromised by the existing central stair arrangement.</p> <p>Listed Building consent will be required for all alterations including the substantial structural interventions and alterations to accommodate the proposed lift, stairs and toilet/plant and services.</p> <p>Management of the building entry points for the general public and security of building tenants / occupants and heritage display artefacts.</p> <p>Limited commercial / income generation potential to underpin community uses and build a sustainable future for the building's management and maintenance requirements.</p>
<i>Indicative Project Cost</i>	£13,179,993
<i>Estimated Project Funding Available</i>	£9,227,000
<i>Capital Project Shortfall</i>	£3,952,993
<i>Indicative Potential Annual Income</i>	£634,000

7.3.2 Option 2 Ground floor commercial use supporting wider community facilities and heritage display on first floor

This option investigates the potential for much of the ground floor accommodation of both the main Custom House building and Cruiser Store to be developed for commercial activities, which in turn would support the provision of community facilities and heritage display provision on the first floor of the main building.

A number of architectural interventions are proposed to “open up” the building and make it fully accessible throughout for building users and the general public, including removal of significant areas of historic fabric such as the external entry steps to the main building from Commercial Street and the creation of a street level entrance sequence, replacement of the existing central staircase to re-evaluate the internal circulation, large scale opening up of external walls to Dock Place and Custom Wharf to create new entry points, and large scale opening up of the ground floor elevation of the Cruiser Store facing Custom Lane.

As noted the main building ground floor accommodation would be developed to create 2no. independent commercial units (suggested to be restaurant/bar units) to the East (Custom Wharf) and West (Dock Place) with new entry points created for each through the central section of the external walls. These new openings would also create a new or enhanced visual and physical connection between Custom House and the external public spaces of Dock Place and Custom Wharf to increase the external activity around Custom House.

Each unit would also require back of house accommodation to be formed (commercial kitchen and guest toilets) as well as enhanced Mechanical and Electrical servicing provision (Ventilation etc) to be woven through the existing fabric.

The first-floor accommodation would provide community space / heritage display with the central, domed, circulation spaces providing curated permanent display, capable of also hosting functions and events. The principle rooms on the first floor would provide community spaces capable of accommodating a variety of uses including meetings, classes, and talks. These spaces could also be utilised for additional exhibition space and also as support spaces for any functions / events. Areas devoted to, or capable of hosting, heritage display, either permanently or on an ad-hoc / touring basis, would be both secure and environmentally conditioned for the appropriate display of artefacts, making truly flexible accommodation that can adapt to future demands within the community. The remainder of the first floor and attic accommodation of the main building would continue to offer low cost creative studio spaces to support local, small scale business.

The ground floor of the Cruiser Store could be sub divided to provide 6No. smaller commercial units each with a glazed frontage to Custom Lane. The Lane itself would also be enhanced with the removal of the boiler room and formation of a terraced area and ramps from the Main Building to create an attractive and vibrant “street”. The upper floor of the Cruiser Store remains as Option 1 with creative studio accommodation in a similar arrangement to its current layout.

The aim of the significant commercial accommodation is to generate sufficient rental income to support community and heritage display activity throughout the rest of the main building. Whilst this option proposes significant alterations to the historic fabric of the building it does demonstrate the potential to create a truly open and accessible building. This arrangement also offers the potential for significant income generation to support the management and ongoing operational needs of the community and heritage display elements.

The breakdown of accommodation is fully detailed in Appendix 15 however a summary of the accommodation area per type is shown in figure (7.ii) below.

Funding Source	Percentage
Studio / Workshop	25%
Commercial / Retail / Café	28%
Heritage Display	13%
Ancilliary	28%
Community / Events	6%

Ground floor commercial use supporting wider community facilities and heritage display on first floor	
<i>Fit within the building? (See Appendix 08 for full drawings)</i>	This option requires significant alterations to the historic building fabric, particularly at the ground floor level. It does however also reinstate some of the original Robert Reid entry sequence. The majority of the principle rooms and spaces within the building are retained or enhanced. Smaller perimeter rooms area also retained.
<i>Townscape Impact</i>	<p>Enhancement of the public amenity of the local area with the “opening up” of the main entrance to Commercial Street and physical connections to Dock Place, Custom Wharf and Custom Lane.</p> <p>Reinforcement of the public area for Leith Market and other public events.</p> <p>Provision of a high-quality cultural resource within a restored landmark building allowing significant access to the community and wider public.</p> <p>Reinforcement of Leith as a destination and support of the local economy with the provision of additional commercial activity.</p>
<i>Market Demand</i>	<p>Leith is already very well established as a fine dining location. Given the prominent stature and location of the building on the Quayside, Custom House would be attractive to operators ranging from the well-known high street brands to the top end dining experiences. It may also attract themed attractions including drinks experiences eg Gin / Whisky experiences. Operators would wish to exploit the quayside and Dock Place frontages.</p> <p>One of the key issues will be the inefficient cellular layout that will put off certain operators unless further opening up is possible. Another major issue will be the fit-out cost which in the past operators have been prepared to take on with long leases and extended rent frees In the current challenging market capital contributions and long rent frees are available to tenants.</p>
<i>Challenges associated with delivery of the project.</i>	<p>The significant alterations to historic fabric, including the complete removal of certain elements, will need extensive dialogue with conservation groups to ensure the benefits to the building and community can be demonstrated.</p> <p>Statutory approvals will be required for all alterations including the substantial structural interventions and alterations proposed.</p> <p>Dialogue with potential project funders will be required to demonstrate the benefit of incorporating significant areas of commercial activity to underpin community and heritage display activities.</p> <p>Management of the building entry points for the general public and security of building tenants / occupants and heritage display artefacts.</p>
<i>Indicative Project Cost</i>	£16,506,574
<i>Estimated Project Funding Available</i>	£9,227,000
<i>Capital Project Shortfall</i>	£7,729,574
<i>Indicative Potential Annual Income</i>	£676,225

7.3.3 Option 2A Ground floor commercial use supporting wider community facilities and heritage display on first floor (Retention of Central Stair)

This option is a slight variation on the Option 2 layout which demonstrates the potential of retaining the existing feature staircase added by William Burn in 1824. The proposal still includes significant interventions including removal of historic fabric such as the external entry steps to the main building from Commercial Street and the creation of a street level entrance sequence, large scale opening up of external walls to Dock Place and Custom Wharf to create new entry points, and large scale opening up of the ground floor elevation of the Cruiser Store facing Custom Lane.

The use mix proposed for the main building and Cruiser Store identified in Option 2 remain in this option with the aim of the commercial accommodation generating sufficient income to underpin the community and heritage display management and operation.

The retention of the existing feature stair, whilst perhaps not providing improved circulation on the ground or first floors, does not indicate significant issues to impede the proposed layout and usage of the wider ground and first floors and would still allow access to ALL building users and visitors as anticipated.

The breakdown of accommodation is fully detailed in Appendix 15 however a summary of the accommodation area per type is shown in figure (7.iii) below.

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Option 2 - Commercial supporting Community Use

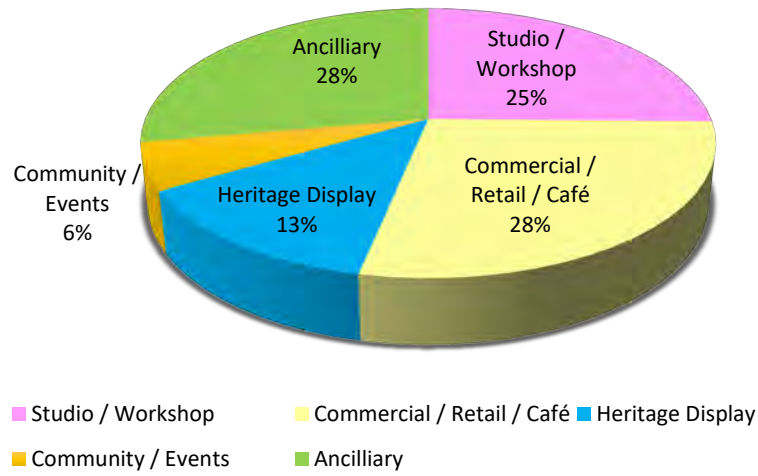


Figure (7.iii) Area analysis of Option 2A



Ground floor commercial use supporting wider community facilities and heritage display on first floor (Retention of Central Stair)	
<i>Fit within the building? (See Appendix 08 for full drawings)</i>	This option requires significant alterations to the historic building fabric, particularly at the ground floor level. It does however also reinstate some of the original Robert Reid entry sequence. The majority of the principle rooms and spaces within the building are retained or enhanced. Smaller perimeter rooms area also retained.
<i>Townscape Impact</i>	<p>Enhancement of the public amenity of the local area with the “opening up” of the main entrance to Commercial Street and physical connections to Dock Place, Custom Wharf and Custom Lane.</p> <p>Reinforcement of the public area for Leith Market and other public events.</p> <p>Provision of a high-quality cultural resource within a restored landmark building allowing significant access to the community and wider public.</p> <p>Reinforcement of Leith as a destination and support of the local economy with the provision of additional commercial activity.</p>
<i>Market Demand</i>	<p>Leith is already very well established as a fine dining location. Given the prominent stature and location of the building on the Quayside, Custom House would be attractive to operators ranging from the well-known high street brands to the top end dining experiences. It may also attract themed attractions including drinks experiences eg Gin / Whisky experiences. Operators would wish to exploit the quayside and Dock Place frontages.</p> <p>One of the key issues will be the inefficient cellular layout that will put off certain operators unless further opening up is possible. Another major issue will be the fit-out cost which in the past operators have been prepared to take on with long leases and extended rent frees. In the current challenging market capital contributions and long rent frees are available to tenants.</p>
<i>Challenges associated with delivery of the project.</i>	<p>The significant alterations to historic fabric, including the complete removal of certain elements, will need extensive dialogue with conservation groups to ensure the benefits to the building and community can be demonstrated.</p> <p>Statutory approvals will be required for all alterations including the substantial structural interventions and alterations proposed.</p> <p>Dialogue with potential project funders will be required to demonstrate the benefit of incorporating significant areas of commercial activity to underpin community and heritage display activities.</p> <p>Management of the building entry points for the general public and security of building tenants / occupants and heritage display artefacts.</p>
<i>Indicative Project Cost</i>	£16,435,260
<i>Estimated Project Funding Available</i>	£9,227,000
<i>Capital Project Shortfall</i>	£7,208,574
<i>Indicative Potential Annual Income</i>	£676,225

7.3.4 Option 3 **Mixed Commercial / Creative / Community Use**

This option looks at a possible hybrid use for the Custom House and Cruiser Store buildings, incorporating as many of the potential uses and key requirements identified both in the community consultation process and as being appropriate uses for the buildings as part of the long list assessment process.

This layout also reduces the number of significant architectural interventions proposed, retaining the historic fabric where possible, especially the William Burn entry sequence from Commercial Street and the existing internal feature staircase. In order, however, to ensure that the community and heritage display areas of the main building are seen to be open and accessible to ALL users and visitors, the proposed main entry for this option is via a significant architectural intervention from Custom Wharf. This has the benefit of allowing some independent access to community spaces out with the wider opening of Custom House and also would reinstate the original Robert Reid entry sequence from an external courtyard at the side of the building. The entry point from Commercial Street would become secondary, perhaps as a “ceremonial” entry point for specific occasions. The day to day entry and control of visitors would be via the new level access Custom Wharf entrance.

Community and Heritage Display spaces would be accommodated on the ground and first floors in the east and central rooms and circulation spaces, with appropriate vertical access provided via a new stair and lift. As with other options the community rooms would be capable of accommodating a variety of uses including meetings, classes, events, functions and talks as well as exhibitions and displays. Areas devoted to, or capable of hosting, heritage display, either permanently or on an ad-hoc / touring basis, would be both secure and environmentally conditioned for the appropriate display of artefacts, making a truly flexible set of accommodation that can adapt to future demands within the community.

This would allow the West accommodation at ground floor to be developed as a stand-alone commercial unit (Restaurant / Bar) with a similar architectural intervention - opening the external wall to connect visually and physically to Dock Place, and internal layout to Option 2. This would again reinforce the public external space to Dock Place for a variety of complimentary activities and events such as the successful Leith Market.

The West accommodation at first floor would provide space for creative studios to the perimeter rooms all accessed from a shared central space beneath the domed ceiling. This central space could be private, semi-private or public depending on the needs of the building users and would offer tenants of the creative studios a security buffer from the public areas as well as a location to exhibit works or hold classes/events. The developed attic accommodation would continue, as previous options, to offer additional creative studio space.

This option proposes significant development of the Cruiser Store building with 2no. flexible community event spaces located on the ground floor, which could accommodate functions, exhibitions, performances, rehearsal space etc and a new entrance with lift access for 2no. creative studios or small business units on the first floor. The end pavilions of the Cruiser store to the East and West would become self-contained commercial units accessed directly from either Dock Place or Custom Wharf. The ground floor of the Cruiser Store would be opened up with a continuous glazed screen to enhance the connection between the community spaces and Custom Lane, again with the aim of creating Custom Lane as a vibrant street location linking the activities of Custom House and the Cruiser Store with the wider community.

The breakdown of accommodation is fully detailed in Appendix 15 however a summary of the accommodation area per type is shown in figure (7.iv) below.

Option 3 - Commercial / Community / Creative Hub

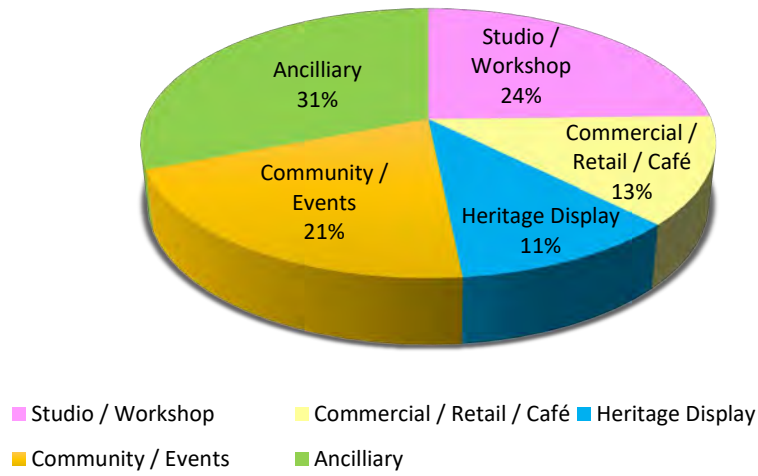


Figure (7.iv) Area analysis of Option 3



Mixed Commercial / Creative / Community Use	
<i>Fit within the building? (See Appendix 08 for full drawings)</i>	<p>This option retains the William Burn entrance and feature stair but requires significant alterations to historic fabric to the east and west elevations and the Cruiser Store.</p> <p>The original Robert Reid entrance sequences can be restored all be it from a new courtyard.</p> <p>The existing cellular rooms and central circulation spaces are generally retained and provided with new uses.</p> <p>The organisation of the building uses assists in the ability to open or close areas of the building as required.</p>
<i>Townscape Impact</i>	<p>Enhancement of the public amenity of the local area with the “opening up” of a new main entrance to Custom Wharf and physical connections to Dock Place, and Custom Lane.</p> <p>Reinforcement of the public area for Leith Market and other public events.</p> <p>Provision of a high-quality artistic and cultural resource within a restored landmark building in allowing significant access to the community and public.</p> <p>Reinforcement of Leith as a destination and support of the local economy with the provision of additional commercial and community activity (Restaurant/Bar and Function/event/performance spaces)</p>
<i>Market Demand</i>	<p>The community consultation exercise demonstrated that there is significant interest in both heritage display (permanent and touring exhibitions) as well as the need for good quality, affordable, community space.</p> <p>Custom House is currently 100% occupied with new enquiries on a regular basis for creative working space. (Even after the impact of Covid 19) Other local creative facilities are also 100% occupied with a waiting list.</p> <p>Given the prominent stature and location of the building on the Quayside Custom House would be very attractive to operators ranging from the well-known high street brands to the top end dining experiences.</p>
<i>Challenges associated with delivery of the project.</i>	<p>The significant alterations to historic fabric, including the complete removal of certain elements, will need extensive dialogue with conservation groups to ensure the benefits to the building and community can be demonstrated.</p> <p>Statutory approvals will be required for all alterations including the substantial structural interventions and alterations proposed.</p> <p>Dialogue with potential project funders will be required to demonstrate the benefit of incorporating significant areas of commercial activity to underpin community and heritage display activities.</p> <p>Reduced significance of the existing entrance from Commercial Street.</p>
<i>Indicative Project Cost</i>	£15,222,917
<i>Estimated Project Funding Available</i>	£9,227,000
<i>Capital Project Shortfall</i>	£5,995,917
<i>Indicative Potential Annual Income</i>	£517,286

7.3.5 Option 4 **Mixed Creative / Community Hub**

This option looks at the potential for the ground floor of Custom House to provide accommodation for all of the Community and Heritage Display elements accessed from a new internal “Street” formed from Dock Place to Custom Wharf, reinstating entrance sequences from the original Robert Reid design and incorporating the existing ground floor circulation spaces.

As previous options, significant interventions would be required to both the Dock Place and Custom Wharf elevations to form new accessible entry points. These would have the benefit of making the building more open and accessible to all users and visitors, as well as connecting Custom House with the external public spaces.

The entry point from Commercial Street would again become secondary, perhaps as a “ceremonial” entry point for specific occasions with the day to day entry and control of visitors via the new level access Custom Wharf and Dock Place entrances.

Heritage display would be contained within the central circulation spaces on the ground and first floors, augmented with additional space in the flexible community spaces. The community rooms would be capable of accommodating a variety of uses including meetings, classes, events, functions and talks as well as exhibitions and displays. Areas devoted to, or capable of hosting, heritage display, either permanently or on an ad-hoc / touring basis, would be both secure and environmentally conditioned for the appropriate display of artefacts, again making a truly flexible set of accommodation that can adapted to future demands within the community.

The perimeter rooms to the first floor and proposed attic accommodation would generally provide creative studio accommodation with the central circulation spaces at first floor providing space for Heritage Display, exhibitions or small-scale function. The central rooms to the north on the first floor would operate as flexible community spaces which again could host a variety of uses including additional exhibition / display space.

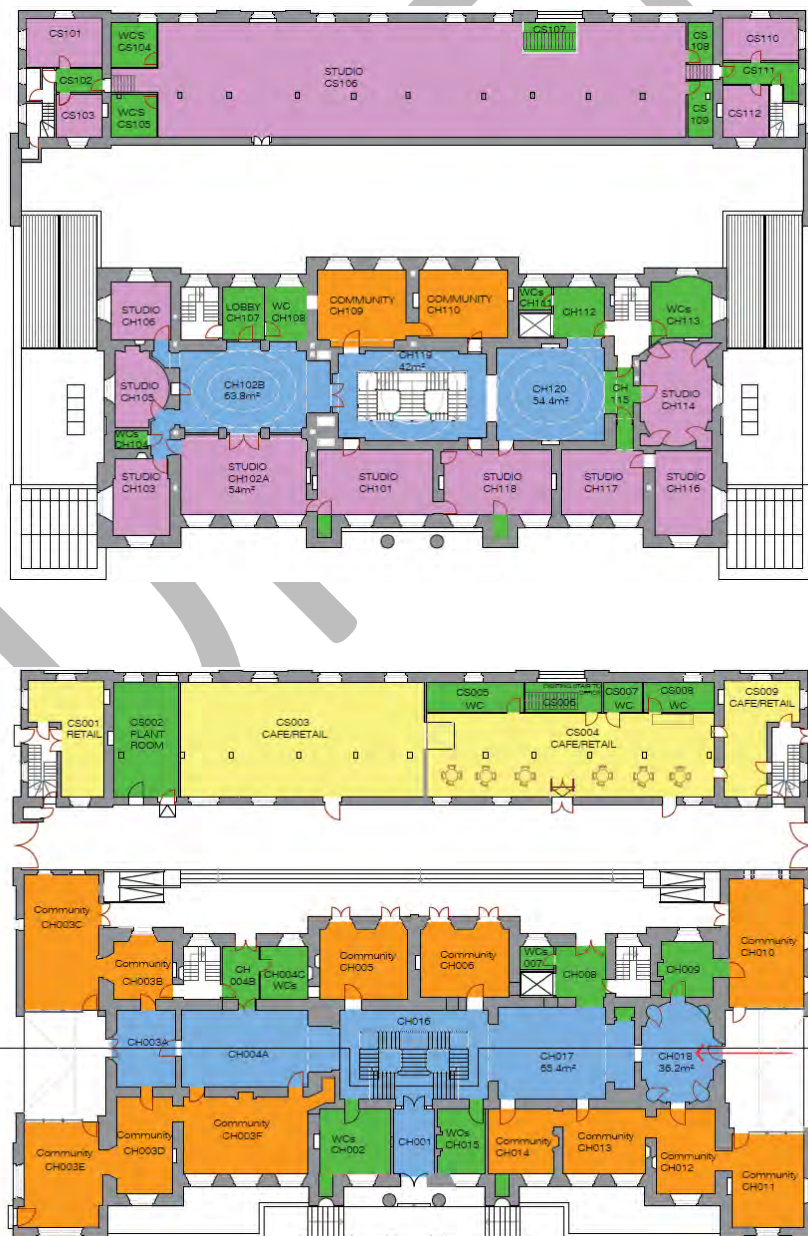
Similar to Option 3, the West accommodation at first floor could be accessed from a shared central space beneath the domed ceiling. This central space could be private, semi-private or public depending on the needs of the building users and would offer tenants of the creative studios a security buffer from the public areas as well as a location to exhibit works or hold classes/events.

As with Option 1, the Cruiser Store building would retain much of its current use, with commercial / café spaces on the ground floor and creative studio space on the upper floor, with general fabric repairs and necessary improvements proposed. Indeed, this option would potentially allow a phased development to be undertaken, with the main building refurbished in full, including re-servicing, whilst the existing Cruiser Store occupation continued and then a future phase of works incorporating the redevelopment of the Cruiser Store would be planned with existing tenants decanted to the refurbished main building. Similar to the current arrangement, the Cruiser Store could be sub-let and operated / managed independently by a third-party organisation.

The breakdown of accommodation is fully detailed in Appendix 15 however a summary of the accommodation area per type is shown in figure (7.v) below.

Museum Type	Percentage
Studio / Workshop	31%
Ancilliary	26%
Community / Events	17%
Heritage Display	13%
Commercial / Retail / Café	13%

Figure (7.v) Area analysis of Option 4



Mixed Creative / Community Hub	
<i>Fit within the building? (See Appendix 08 for full drawings)</i>	<p>This option again retains the William Burn entrance and feature stair but requires significant alterations to historic fabric to the east and west elevations and the Cruiser Store.</p> <p>The original Robert Reid entrance sequences can be restored all be it from a new courtyard.</p> <p>The existing cellular rooms and central circulation spaces are generally retained and provided with new uses.</p> <p>Creatives a very open and welcoming building for the community both internally and externally.</p>
<i>Townscape Impact</i>	<p>Enhancement of the public amenity of the local area with the “opening up” of a new main entry points to the main building from both Custom Wharf and Dock Place. Links between the main building, the Cruiser Store and Custom Lane are also strengthened.</p> <p>Reinforcement of the public area for Leith Market and other public events.</p> <p>Provision of a high-quality artistic and cultural resource within a restored landmark building allowing significant access to the community and public.</p> <p>Reinforcement of Leith as a destination and support of the local economy with the provision of additional commercial (Cruiser Store), community (Ground Floor) and creative (First Floor) spaces.</p>
<i>Market Demand</i>	<p>The community consultation exercise demonstrated that there is significant interest in both heritage display (permanent and touring exhibitions) as well as the need for good quality, affordable, community space.</p> <p>There was also clear support and demand for some form of café facility to be part of the proposed development.</p> <p>Custom House is currently 100% occupied with new enquiries on a regular basis for creative working space. (Even after the impact of Covid 19) Other local creative facilities are also 100% occupied with a waiting list.</p>
<i>Challenges associated with delivery of the project.</i>	<p>The significant alterations to historic fabric, including the complete removal of certain elements, will need extensive dialogue with conservation groups to ensure the benefits to the building and community can be demonstrated.</p> <p>Statutory approvals will be required for all alterations including the substantial structural interventions and alterations proposed.</p> <p>Dialogue with potential project funders will be required to demonstrate the benefit of incorporating significant areas of commercial activity to underpin community and heritage display activities.</p> <p>Reduced significance of the existing entrance from Commercial Street.</p>
<i>Indicative Project Cost</i>	£15,098,585
<i>Estimated Project Funding Available</i>	£9,227,000
<i>Capital Project Shortfall</i>	£5,871,585
<i>Indicative Potential Annual Income</i>	£563,517

7.4 Consultations

The following organisations and individuals have been consulted and contributed to the development of these options:

- City of Edinburgh Council
- Local Elected Members
- Custom House - Short Life Working Group which includes representation from the following local community groups / organisations:
 - Leith Local History Society
 - Leith Links Community Council
 - Leith Chamber of Commerce
 - Leith Trust
 - Leith Trust
 - Leith Civic Trust
 - Leith Rotary Trust
 - Spirit of Leithers
 - Leith Museum Trust
 - Leith Harbour and Newhaven Community Council
 - Friends of Water of Leith Basin
 - Leith Central Community Council
 - Greener Leith
 - Coburg House Gallery and Studios
 - South Leith Parish Church
- Leith Heritage Group - Formed from the Custom House - Short Life Working Group and which includes representation from the above local community groups / organisations as well as the following additional local community groups / organisations:
 - Yardheads Theatre
 - Citadel Arts
 - SS Explorer
 - Leith Rules Golf Society
 - Forth Ports Ltd
 - Visit Scotland
 - Leith Late
 - Leith Theatre Trust

7.5 Short List of Options: Assessment Summary

It is clear from the assessment of the short-listed options that each of the potential schemes offers something different and could provide a wonderful set of spaces to deliver a sustainable future for Custom House.

Each option would have a mix of uses that would encourage the local community to engage with the facilities and all options would require some degree of physical intervention and removal of historic fabric from the building to create better access, ensure occupants safety or allow modern servicing.

Following the short list assessment process, there are two options that are considered to be significantly more complex to deliver in terms of justification of loss of historic fabric and the potential to secure external funding. These are:

- Option 2 Commercial / Community Use
- Option 2A Commercial / Community Use (Retention of Central Stair)

The assessment determined that the loss of the William Burn external steps to create a level access entry point in both discarded options would be difficult to justify in conservation terms

whilst other options for access to the building were possible, particularly where, even though this entry sequence was not original to the building, it was still significantly old (nearing 200 years) and therefore an intrinsic part of the character of Custom House.

Similarly, the loss of the William Burn feature stair case in Option 2, whilst assisting in the ground floor accessibility, did not resolve all of the access issues to the ground and first floors to justify its removal.

In all options explored there has been a pragmatism that in order to deliver the community and heritage display spaces that are crucial to engaging with the local community and ensuring that the building is as open and welcoming as possible, there would need to be a significant commercial element within the development proposals to ensure Custom House was delivered with a sustainable future.

The assessment concluded that the extent of commercial activity in options 2 and 2A, taking over the majority of the ground floors of both Custom House and the Cruiser Store, would prove problematic in meeting external funders requirements and therefore in securing vital external funding opportunities to allow the project to proceed.

The remaining three options - Option 1 Enhanced Existing Creative Studio Use; Option 3 Mixed Commercial / Community / Creative Use; and Option 4 Mixed Community / Creative Hub – will be considered further to determine a preferred development option(s).

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8.0 MARKET APPRAISAL

8.1 Overview

As the Covid 19 restrictions are slowly lifted, Leith is well placed to benefit from economic recovery with its mix of commercial, business and residential properties however the impact on business and consumer confidence as well as the changing way in which people access services and socialise is still to be fully understood. Further research and monitoring will be required as the Custom House project moves forward into a development stage.

Significant residential development in and around Leith is ongoing with over 1,300 residential units currently under construction / being released to market, including developments at Baltic Street, South Fort Street, and Ocean Drive all within 1 mile of Custom House. These developments are a mix of accommodation types (apartments, town houses, studios etc) and sizes, and include both private and affordable homes to buy and rent.

The proposed City of Edinburgh Council Local Development Plan – City Plan 2030 - will also have a major impact on the area with its focus on future residential developments on brownfield sites with good public transport. Leith has been identified as a major residential growth point for the city in the new plan and the continued development of Edinburgh Waterfront (a major residential development) together with many other smaller sites will see a significant increase in the area's population.

The Ambassador Group also recently published proposals and a community consultation to substantially redevelop the Ocean Terminal retail and leisure venue, improving the quayside attraction and incorporating proposals for a major residential development.

Taken together, the residential units, primarily one and two bed flats, under construction or proposed for the future will create substantial population growth in the area. This, consequently, has the potential to have a positive impact on the demand for commercial premises in and around Leith.

The Edinburgh Tram network expansion continues with the Trams to Newhaven extension currently under construction and due to be completed in 2023. This has the potential to have a significant benefit to Leith, both in terms of easy commuting access for local residents (Existing residents and residents of future developments) to other parts of the City, and the potential to attract other visitors to the area using a modern, reliable mode of transport connected directly to Edinburgh city centre and the city's major public transport hubs. (Main line rail stations at Waverley & Haymarket, St Andrews Square Bus station and Edinburgh airport) Custom House will be close to a number of tram stops located at Bernard Street, Port of Leith and Ocean Terminal. Again, this has the potential to bring more city inhabitants and tourists to explore the history and unique atmosphere of Leith and particularly the Shore.

Whilst there is no doubt that many businesses have felt the full economic impact from the pandemic, Leith remains a positive and attractive location to live, work and socialise. The Shore remains vibrant and independent retailers, bars and restaurants along both Bernard Street and Constitution Street will soon emerge from the disruptive Tram construction works hopefully with a significantly improved public realm. Forth Ports have committed to a full restoration of the iconic Victoria Swing Bridge crossing the Water of Leith near to Custom House and the proposed City Plan 2030 reinforces the heritage assets of the area and encourages renovation and re-purposing over demolition and new build.

There has always been a civic pride and sense of belonging for Leithers and current moves towards the 20 Minute Neighbourhood, where facilities and services, be that commercial or public, are within 20 minutes' walk for members of the community, will only strengthen the "keep it local" mantra that already exists in the area.

Leith will, therefore, see a major period of expansion over the coming years on top of any economic recovery which will take place post Pandemic. This, combined with Leith's existing local and destination status, will see it well placed to attract and sustain new commercial, cultural and community activity in the future.

8.2 Creative Studio Accommodation

For the last 40 years Leith has been a popular and affordable location for a number of businesses in the creative sector. It's "edgy" feel and atmosphere, as well as numerous venues to socialise, has attracted businesses including advertising, PR, architects, IT, Media and the like, as well as artists, sculptors and now the film industry.

Coupled with Leith's industrial past, the area consequently has a vibrancy within its community which continues to attract creative uses in many properties.

When SHBT was granted a short-term lease for Custom House in 2015, the decision was taken to provide low cost, creative studio accommodation as a "meanwhile" use for the building. This required only basic improvements to the building at the time and the existing cellular layout of rooms provided robust spaces for the artists to occupy.

This use continues to be successfully delivered by SHBT as the development proposals for Custom House are prepared. The building is currently 100% occupied with 13No. tenants and a waiting list of future tenants. New enquiries for space are received on a regular basis. (Even after the impact of Covid 19)

Current rental rates for creative studio space at Custom House are £9/sqft with £6/sqft service charge. The accommodation is basic in terms of the studio space which is supplied clean and painted for each new tenant. There are shared toilet and kitchen facilities and reduced rate hire of the Gallery Space for exhibitions and displays. The service charge covers all heat, light and power for both the tenant's studio space and the common areas and also includes cleaning of all communal areas.

This "meanwhile" use has demonstrated that this particular use option could be pursued as a potential permanent use for an upgraded Custom House, either as a standalone use or as part of a mixed-use development.

Current research indicates that there are approximately 13No. creative studio and workshop facilities within 2.0 miles of Custom House providing accommodation for over 500 creative practitioners.

9No. of these ventures have 100% occupancy (Over 450 creative practitioners) and operate a waiting list for interested tenants. Costs for accommodation vary, dependant on the studio provider and other facilities on offer. Studios are available from £13/sqft to £20/sqft. Where specialist workshop accommodation is available this is charged by the hour, half day, or full day. Some of the venues also have gallery space that can be hired for exhibitions or classes with rates for internal hire and external hire.

The following table presents current charge-out rates for the hire of creative spaces within 2.0 miles of Custom House:

Place	Room Type	Capacity
Quality Yard	Creative	6
Coburg House Studios	Creative	80
Edinburgh Open Workshop	Workshop	10
Good Vibes Artist Studios	Creative	6
Biscuit Factory	Mixed	18
Edinburgh Sculpture Workshop	Workshop	25
Out of the Blue (Dalmeny)	Creative	60
Upload Studios	Digital	1
Beaverhall Studios	Creative	20
WASP Studios (Albion)	Creative	22
Out of the Blue (Abbeymount)	Creative	30
WASP Studios (Patriothall)	Creative	32
Edinburgh Palette (St Margaret's)	Creative	200

Much of the accommodation provided in these venues is simple, low cost, robust space which can be utilised for a number of different artistic media. Some specialist space exists, such as the facilities at Edinburgh Sculpture Workshop and Edinburgh Open Workshop.

Typical features offered for creative spaces include:

- Individual or shared studio accommodation with heat, light, and power.
- Internet, Wi-Fi, broadband connections etc.
- Shared display/exhibition space
- Kitchen / tea point
- Toilets

The waiting lists for the majority of studio provision in Leith, and indeed the wider city, demonstrates that there is significant demand for creative studio accommodation. The key to successfully attracting tenants for this use will be pitching the pricing structure at a level which is attainable for creative practitioners. A “low input – low output” development model, creating basic, robust accommodation is likely to be more successful than a high-end specification and finish.

The above indicates that there is a demonstrable demand and potential for parts of the building to offer creative studio accommodation as part of a mixed-use development.

8.3 Community Space

The Community Consultation process and, indeed, the reason for purchasing Custom House in the first place, was to provide a community facility in the heart of Leith and make Custom House open and accessible, primarily for members of the local community.

Pre-Pandemic, there was significant demand for community spaces in the area, with peak demand being found in the weekday evenings when many local groups operate. Many of the community venues were closed during the Covid restriction period with some community groups able to continue with virtual activities. As restrictions started to ease the venues began reopening and there is clearly an appetite, although tempered with some hesitancy and limitation on numbers, to get back to some in person group activity.

Community space, by its nature and diversity of the community it serves, needs to be flexible to be attractive and useable to a wide cross section of the local population. It may be needed to offer simple, round table meeting accommodation for local groups, or to allow for small scale presentations and talks, or provide rehearsal space for drama or music, or allow some form of activity to help our physical or mental wellbeing.

There is demand from within the community for a variety of community uses, however this demand does change dependant on the needs of the community. It is not intended that SHBT will be the organiser of community activities (Classes, talks etc) but rather will manage bookings and the buildings operational needs.

Established community groups tend to try and find a location and make regular block bookings so that members of the group know when and where an activity will take place. Some community groups are more nomadic or require space for specific events or activities.

Bookings from community groups tend to be for a limited time on a specific day each week (ie. 7pm to 9pm every Tuesday evening) with room set up requirements differing between the various groups. This does present challenges for groups who require space for a specific activity, such as an exhibition, rehearsal, or performance. It is not uncommon for community venues to be unavailable for a one-off block booking and this presents potential opportunities to create a mix of spaces at Custom House.

Research with professional Theatre Companies shows that obtaining space for rehearsals where props or set ups can be left in place and rehearsals can take place every day for a period of time are very limited with most venues requiring a clear space at the end of each daily booking period.

Further research indicates that there are approximately 18No. community venues (some with multiple spaces) within 2.0 miles of Custom House. The largest space is approximately 560sqm with a variety of other sized spaces down to a number of smaller, more intimate meeting rooms. These potential community spaces include hospitality function rooms as well as spaces targeted to community activities.

The hire cost of these spaces varies dependant on the size of the venue and duration of the booking. Most of the venues offer a significant discount for bookings by Community groups and non-commercial organisations.

Typical features offered for community spaces include:

- Range of spaces in a single venue – from halls to meeting rooms – including potential Breakout area(s)
- Internet, Wi-Fi, broadband connections etc.
- Multi-media presentation facilities (i.e. plasma screen, projector, video/DVD, retractable screen etc.)
- Online booking facilities
- Catering potential
- Kitchen / tea point
- Toilets

- Accessible accommodation
- Audio induction loop for hearing impaired
- Room set up (chairs, tables etc in the layout required)

The provision of community accommodation can require considerable and ongoing financial investment from the property owner/business due to the costs of providing and maintaining these facilities. Booking administration, room set up, cleaning costs etc

Costs incurred range from salaries of building management staff, contributions for reception and ancillary facilities, room set up and cleaning costs. To make such a community venture viable, there needs to be sufficient revenue generated from the building as a whole to cover these costs as well as provide sufficient income to support the wider upkeep of the buildings internal and external fabric.

Community spaces can also be used for commercial hire, particularly in relation to meeting room accommodation if the right offer and promotion can be achieved. The Covid Pandemic has changed the way of working, certainly in the short to medium term as many businesses rationalise their working environments - reducing the amount of floor space or creating socially distanced desk layouts. Many businesses have implemented home working through the lockdown restrictions and all indicators suggest that this trend will continue once restrictions are removed with a hybrid return to the office.

Whilst the true nature of this change is still to be fully understood, it is highly likely that with staff working from home and business premises reduced or limited in numbers, demand for serviced meeting spaces for local business will increase.

Community venues may be able to provide some of that much needed space particularly as the community use is less during daytime working hours. This would certainly offer an opportunity to subsidise community rental rates with commercial income without detracting significantly from the community offer and availability.

The following table presents current charge-out rates for the hire of community spaces within 2.0 miles of Custom House:

Place	Room Type	Capacity / Area	Hourly	Half Day	Full Day	Other
Scottish Malt Whisky Society	Meeting	14			£200	
Scottish Malt Whisky Society	Meeting	32			£300	
Queen Charlotte Rooms	Function	120				
Queen Charlotte Rooms	Function	80				
Leith Theatre	Hall & Stage	560sqm	£20 to £40		£160 to £320	
Leith Theatre	Hall & Stage	236sqm	£20 to £40		£160 to £320	
South Leith Parish Church	Hall & Stage	Over 100sqm	£10 to £40			
South Leith Parish Church	Meeting / Hall	Up to 100sqm	£10 to £20			
The Old Dr Bell Baths	Function	136sqm	£20 to £40			
Leith Community Education Centre	Hall	144sqm	£22 to £35			
Leith Community Education Centre	Hall	522sqm	£33 to £45			
Leith Community Education Centre	Meeting	48sqm	£11 to £25			
Leith Community Education Centre	Meeting	48sqm	£11 to £25			
Leith Community Education Centre	Meeting	54sqm	£11 to £25			
Leith Community Education Centre	Meeting	54sqm	£11 to £25			

Leith Dockers Club	Hall	140	£80			
Leith Dockers Club	Function	60	£60			
The Junction	Meeting / Hall	50	£15 to £18			
Duncan Place	Meeting / Hall	62sqm				
Duncan Place	Meeting	29sqm				
North Leith Parish Church	Hall	228sqm				
Duke Street United Reform Church	Hall	Up to 100sqm	£10 to £20			
Room to Move	Hall	Over 100sqm	£18			
The Biscuit Factory	Various	Various	£20 to £40		£160 to £320	
Out of the Blue	Hall	80sqm	£22 to £42			
Out of the Blue	Meeting	38sqm	£18 to £32			
Out of the Blue	Meeting	32sqm	£12 to £24			
Out of the Blue	Hall	340sqm	£40 to £56			
Pilrig St Pauls Church	Hall	Over 100sqm	£20			
Pilrig St Pauls Church	Meeting	Up to 100sqm	£14			
Norton Park Conference Centre	Hall	135sqm	£37			
Norton Park Conference Centre	Meeting	Up to 100sqm	£12			
Norton Park Conference Centre	Meeting / Hall	Over 100sqm	£15			

The above indicates that there is a demonstrable demand and potential for parts of the building to operate as a community venue offering flexible accommodation for a variety of community uses.

8.4 Heritage Display

Custom House was acquired by the City of Edinburgh Council using Common Good funding. The criteria set for the development of Custom House by the City of Edinburgh Council is based on the following statement:

“to secure appropriate use of the building to include a museum/heritage purpose for the benefit of Leith and the wider city and to negotiate with third parties accordingly.”

It is essential, therefore that any proposals for the future use of the building include some form of heritage display that will engage with the local community.

The formal Community Consultation process carried out between November 2019 and January 2020 undertaken by consultants Janet Sylvester and Karen Chambers, demonstrated that there was significant interest from respondents for the provision of Heritage Display, including both permanent display (telling the story of Leith and its development) and temporary display. (Touring exhibitions linked to Leith's history) The consultation responses were summarised in the Community Consultation report as follows:

There is real interest in Custom House including a display of Leith's heritage/history. Whilst this interest has been enhanced by the plans for the Leith Museum, it is clear from the consultations that there was felt to be genuine community benefit in having a venue that told the story of Leith, particularly in relation to its maritime port/history.

The highest levels of interest were in temporary exhibitions, with respondents likely to visit this relatively frequently. Respondents were also interested in a permanent exhibition, but frequency of visit was likely to be much lower than for temporary exhibitions.

An accessible archive of Leith's history was of less interest, but around half the respondents said they might use this resource.

There are approximately 10 Museums and Galleries within 2.0 miles of Custom House. Some of these are permanent attractions whilst others are more temporary. This list also includes venues which are seen to be a more central / city center location rather than embedded in Leith such as Holyrood Palace and the Queens Gallery.

In Leith itself, Trinity House Maritime Museum is run by Historic Environment Scotland. The venue is generally only open for pre-booked tours or educational visits and is not usually open at weekends. The average number of visitors per year is just over 2,800 since 2016, with roughly 30% of those being Educational visits. Admission to the venue is free but must be pre-booked. The museum closed to visitors at the start of the Covid Pandemic and has not yet reopened although HES do have plans to reopen the venue in the near future.

The Wee Museum at Victoria Primary School is under review as the Primary School has moved in to a new building. The Heart of Newhaven Community Group are in the process of acquiring the former school building from the City of Edinburgh Council and are looking to create a museum offer as part of the future development looking at the History of Newhaven.

The Royal Yacht Britannia is a Five Star visitor attraction permanently docked at Ocean Terminal. Pre-pandemic the venue attracted over 390,000 visitors per year and over 6million visitors since the attraction opened in 1998. The Royal Yacht is only 0.6 miles from Custom House and attracts a wider national / international audience as well as visitors from within the local community. Adult Admission for 2022 is £18 with children's admission priced at £9.

The Wee Museum of Memory run by the Living Memory Association in conjunction with the Spirit of Leithers Group has been operating in a previously empty retail unit at Ocean Terminal as a free, drop in venue for local history.

In January 2022 the LMA announced that they have agreed to take on a “meanwhile” use of the former Debenhams Department Store at Ocean Terminal to provide a Community Heritage and Culture Hub. The large unit will create many opportunities for community

groups to occupy on an ad-hoc basis. The Spirit of Leithers will occupy some of the ground floor with a heritage centre to expand their displays and allow visitors to watch films or slide shows about the local history of the area.

The Ambassador Group, the owners of Ocean Terminal organised an exhibition at the end of 2021 to update the community on the proposed redevelopment of the centre including its vision to open up the venue to the waterfront. This will include significant demolition and new building to the east of the existing building where the former Debenhams Store is located. Timescales for the development are not fixed at present but the “meanwhile” use of the space by the LMA will provide a flexible location for community activity in the short term.

The above indicates that there is a demonstrable demand and potential for parts of the building to provide flexible heritage display accommodation.

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8.5 Retail

There is potential to incorporate some small-scale retail offer within a redeveloped Custom House and/or Cruiser Store. The building has, indeed, previously hosted a Post Office branch and this area could again offer some form of retail potential, all be it with a requirement to improve accessibility.

The Cruiser store is also capable of hosting retail space on the ground floor, especially if the frontage to Custom Lane was significantly opened up with the introduction of glazed screens. The potential of this location could create a vibrant series of individual units or a larger single unit with scope to engage with the pedestrianised outdoor space linking Dock Place and Custom Wharf.

The surrounding area is not a prime retail location, all be it there are some specialist shops in the nearby vicinity of Custom House. Retail is generally located at Ocean Terminal, Great Junction Street and Leith Walk therefore it is likely that any retail at Custom House would be linked to the activities within the developed building (craft / design outlet) or created as a destination retail venue for a specialist provider looking for a high quality, unique location.

There is demand for quality and unique retail space however this would likely be a limited use potential for areas of Custom House and / or the Cruiser Store.

8.6 Function / Event Space

With the provision of enhanced external access points, lift access from ground to first floors, and improved circulation and toilet accommodation, the principal rooms (Gallery and central rooms to GF & FF) and the main circulation spaces at first floor (including the former Long Room) will provide a degree of versatility for a range of function use, including bookings for special celebrations as well as small scale events, performances and exhibitions.

The architectural significance of Custom House in general, and specifically the Gallery space to the East of the ground floor facing on to Custom Wharf, and the domed ceiling, top lit circulation spaces on the first floor, provide stunning, high quality spaces offering a special venue for such events.

There may be a synergy between Function / Event Space and the incorporation of a commercial Café / Bar / Restaurant as part of a Custom House development, allowing an “in-house” caterer to meet the variety of catering needs for internal events or external hires.

Since the introduction of the Marriage (Scotland) Act 2002 it has been possible to use a variety of venues to conduct civil marriage ceremonies. As a result, Edinburgh City boasts a wide range of potential wedding venues within buildings of architectural significance and grandeur such as the Great Hall at Edinburgh Castle, the former Mansfield Traquair church, and the Georgian House to name a few.

Research shows, however, that Leith, whilst being able to accommodate the after-ceremony activities (wedding breakfasts, receptions etc.) does not have many such locations for the wedding ceremony to take place, other than traditional church venues. (Some of which are, of course, are architecturally significant and grand)

There is therefore potential for Custom House, and particularly the Gallery space within Custom House, with its ornate plaster ceiling and open aspect overlooking the Water of Leith, to become a venue to hire for civil marriage ceremonies. This is likely to be particularly attractive to wedding couples with links to the local area, but also to those from further afield looking for a unique wedding venue.

The following non-denominational venues have been identified as offering wedding ceremony venue hire in Leith:

Place	Capacity
The Old Dr Bell Baths	100
The Biscuit Factory (Ground)	450
The Biscuit Factory (Top)	120
Leith Arches	60
Malmaison	15
Leith Theatre	180

It is anticipated that the frequency of hire for wedding events peaks during the spring and summer months with research, based primarily on a UK-wide report from Bridebook, showing that nationally August is the most popular month for getting married. Typically, January/February are the quietest times for weddings. December/January are however the peak in terms of enquiries to venues, as this is the big engagement period.

There are a number of venues in Leith which offer potential for a variety of social functions and gatherings. Some of the venues offer very competitive rates for basic spaces where others have carried out significant improvements and clearly invested heavily in the quality of spaces and facilities offered. There is also a mix of styles from traditional venues through to ultra-modern fit outs as well as alternative / quirky settings.

Again, there is a mix with some venues offering bar facilities and catering in-house and others allowing external catering services to deliver.

Edinburgh is known as the Festival City with events to suit all ages and interests. There are a number of festivals that take place locally in Leith each year including the Leith Festival and the Edinburgh Mela as well as the city-wide Edinburgh International Festival and Edinburgh Fringe Festival

As an iconic building in the heart of Leith, Custom House is ideally placed as a potential venue to host festival events and related activities, perhaps even attracting some of the many events/activities normally only found in Edinburgh City Centre to a new audience in Leith.

Custom House has already played host to a number of creative performances including Grid Irons promenade production of The Devil's Larder in November 2015, the outdoor film screening by Cinetopia as part of the Leith For Ever project in September 2021, and the upcoming Citadel Arts Groups promenade performance, Leithers – One Family, which will meander through Custom House, demonstrating the potential of the building to attract and deliver high quality, imaginative, artistic performance.

To run, organise and manage events and hires will require either a dedicated team or some kind of third-party agency to market, operate (including setting up) and manage bookings and events. SHBT do currently have an events team, based at Riddles Court, with experience of delivering a variety of events including weddings.

The operation and management of external function and event hires can require considerable and ongoing financial investment from the property owner/business due to the costs of providing and maintaining these facilities. Booking administration, room set up, cleaning costs etc

Costs incurred range from salaries of building management staff, contributions for reception and ancillary facilities, room set up and cleaning costs. To make such a community venture viable, there needs to be sufficient revenue generated from the building as a whole to cover these costs as well as provide sufficient income to support the wider upkeep of the buildings internal and external fabric.

The following table presents current charge-out rates for the hire of function spaces within 2.0 miles of Custom House:

Place	Room Type	Capacity	Hourly	Half Day	Full Day	Other
Scottish Malt Whisky Society	Meeting/ Function	32			£300	
Queen Charlotte Rooms	Function	120				
Queen Charlotte Rooms	Function	80				
Leith Theatre	Hall & Stage	560sqm	£20 to £40		£160 to £320	
Leith Theatre	Hall & Stage	236sqm	£20 to £40		£160 to £320	
South Leith Parish Church	Hall & Stage	Over 100sqm	£10 to £40			
South Leith Parish Church	Meeting / Hall	Up to 100sqm	£10 to £20			
The Old Dr Bell Baths	Function	136sqm	£20 to £40			
Leith Community Education Centre	Hall	144sqm	£22 to £35			
Leith Community Education Centre	Hall	522sqm	£33 to £45			
Leith Dockers Club	Hall	140	£80			
Leith Dockers Club	Function	60	£60			
The Junction	Meeting / Hall	50	£15 to £18			
North Leith Parish Church	Hall	228sqm				
Duke Street United Reform Church	Hall	Up to 100sqm	£10 to £20			

Room to Move	Hall	Over 100sqm	£18			
The Biscuit Factory	Various	Various	£20 to £40		£160 to £320	
Out of the Blue	Hall	80sqm	£22 to £42			
Out of the Blue	Hall	340sqm	£40 to £56			
Pilrig St Pauls Church	Hall	Over 100sqm	£20			
Norton Park Conference Centre	Hall	135sqm	£37			

The above indicates that there is a demonstrable demand and potential for parts of the building to operate as a function venue including the delivery of wedding ceremonies.

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8.7 Commercial Café / Restaurant

Leith is already well established as a fine dining location, hosting restaurants from leading chefs such as Tom Kitchin and Martin Wishart, as well as offering a variety of other price point establishments.

The impact of the Covid 19 Pandemic hit particularly hard on hospitality outlets and it is anticipated that some businesses will be in a financially fragile state. As restrictions continue to ease there is a sense of anticipation, tempered with hesitancy, in getting back to social interaction and “going out”.

The independent operators in Leith were generally able to navigate the worst of the pandemic, switching to alternative offering, including take-away and delivery, which has at least allowed them to survive in the short term. Confidence is still low in the current hospitality market however Leith does appear to be in a strong position given its established reputation.

Current research indicates that there are approximately 45No. restaurants and 30No. bars (15No. of these are joint Bar / Restaurants) within 2.0 miles of Custom House. Most of these venues have continued regular trading as Covid restrictions ease and there are very few hospitality properties on the market either to lease or buy within the local area. It is likely that the next year, and particularly the summer tourism months and build up to Christmas 2022, will be crucial to the survival of many of these businesses.

Given the prominent stature and location of the building, Custom House would be very attractive to hospitality operators ranging from well-known “brands” to individual, dining experiences. It is highly likely that operators would be attracted to, and wish to exploit, the quayside location to Custom Wharf and, to a lesser extent the open area, currently used as car parking and for hosting the Leith Market, to Dock Place.

There is also a trend for the development of themed tourist attractions including drinks experiences, such as the recently completed Johnnie Walker Experience in the former Frasers Department Store on Princes Street and the construction of the Port of Leith Distillery adjacent to Ocean Terminal.

Whilst there would be interest in a redeveloped Custom House from national and established local brands given its location, one of the key issues will be how the inefficient cellular layout can be opened up. Fit out costs will also be an issue. In the past operators have been prepared to take on fit out costs with long leases and extended rent-free periods. In the current, more challenging, market capital contributions and long rent free are being offered in order to attract tenants. It is clear that there will be demand, particularly for any accommodation accessing the quayside, but financial assistance will require to be identified for fit outs.

The above indicates that there is a demonstrable demand and potential for parts of the building to operate as a Commercial Café / Restaurant.

9.0 CAPITAL PROJECT COSTS

This section looks at the capital project cost of Development Options 1,3 & 4. It also provides an estimation of the capital project costs for repairing and restoring the fabric of the building alone. The repair works would closely follow those outlined in the Condition Report by Simpson & Brown Architects dated December 2019 and updated in March 2020. (included within Appendix 03).

These capital project costs are based on the Quantity Surveyors report prepared by Morham and Brotchie dated May 2021 and includes other costs required to deliver the redevelopment of the building such as fit-out and project management fees as well as the development of the overall project such as marketing, business planning, project organisation, fundraising and other associated costs. A summary of the project costs is provided below. A further breakdown of project costs for all short-listed options is provided in Appendix 16

An inflation rate of 20.8% (estimated by Morham & Brotchie) has been added to the figures provided as it is assumed that the capital project will start on site in Spring 2025.

CONSTRUCTION COSTS	OPTION 1	OPTION 3	OPTION 4
Preparatory Works	£30,000	£50,000	£50,000
Main Contract Building Costs	£8,011,000	£8,461,000	£8,373,828
Inflation (assume 20.8% to Spring 2025)	£1,672,528	£1,770,288	£1,752,156
Public Realm	£350,000	£750,000	£750,000
Professional Fees	£1,895,980	£2,130,854	£2,111,825
CONSTRUCTION COSTS TOTAL	£11,959,508	£13,162,142	£13,037,810
OTHER CAPITAL PROJECT COSTS	OPTION 1	OPTION 3	OPTION 4
Other Professional Fees	£130,500	£197,500	£197,500
Property Fit Out Costs	£70,000	£120,000	£120,000
Miscellaneous Costs	£140,000	£145,000	£145,000
Fundraising Costs	£70,000	£115,000	£115,000
Expenses	£10,000	£25,000	£25,000
Financial Costs	£120,000	£240,000	£240,000
Contingency	£50,000	£100,000	£100,000
Activity Costs	£245,000	£490,000	£490,000
Other Project Costs	£384,985	£628,275	£628,275
OTHER CAPITAL PROJECT COSTS TOTAL	£1,220,485	£2,060,775	£2,060,775
PROJECT COSTS TOTAL	£13,179,993	£15,222,917	£15,098,585

Please Note

- The indicative construction costs are based on drawings prepared by Richard Murphy Architects.
- Whilst the design team have visited the site, a significant number of assumptions have had to be made at this point whilst preparing the indicative costs. It should also be noted that the condition will continue to deteriorate the longer it takes for any capital project to be progressed.
- As the start of on-site work would be estimated to begin in spring 2025 an estimate of inflation to that date has been included in the building works costs and the other project costs.
- VAT is excluded as it is assumed that any project would opt to tax the buildings, meaning that VAT can be reclaimed.

9.1 Summary of Estimated Capital Project Costs

The analysis of estimated capital project costs shows that even the costs of undertaking the basic internal and external fabric repair works alone are considerable (nearly £4million - excl. Fees, other project costs etc.) and undertaking these repairs will not bring the benefit of introducing new uses into the building or addressing some of the significant issues outlined in Section 5.0 such as Building Access, Fire Safety, Relationship with External Spaces etc. It is highly unlikely that a repair only option would attract sufficient external funding to cover the costs of the necessary fabric repair works.

The costs for each of the redevelopment options 1, 3 & 4 are between £10.1million to £11.1million (excluding Design Team Fees, Statutory Fees, other project costs etc.) with the highest cost relating to Option 3 - Mixed-use commercial, community, & creative hub which is £1million more than the lowest cost relating to Option 1 - Enhanced existing use including creative studio accommodation. This is due to the simplified development and reduced physical interventions of Option 1 which aims to utilise the building layout with only minimal alterations to make the building more accessible to meet modern requirements.

9.2 Funding Potential

SHBT is the largest and most active building preservation trust in Scotland and has considerable expertise in developing, funding, and managing complex historic building repair and conservation projects. SHBT's project development model is that all capital projects must be fully funded.

The funding climate in Scotland, and the UK as a whole, is currently challenging as a result of the impact of the Covid-19 pandemic as well as wider issues of conflict and energy price rises. This may mean that public funding and funding from Charitable Trusts and Foundations is harder to access and/or very competitive. However, any fundraising strategy developed by SHBT for Custom House would also include philanthropic donors, business support and a defined local community public appeal.

The redevelopment of Custom House to incorporate Community, Heritage Display and Creative uses brings a range of benefits to the local community, providing amenities and uses within the building including education and learning, community space, and creative arts facilities, in addition to the repair and re-use of a significant historic building in the centre of Leith. It is likely that this mix of uses will be attractive to many funders which have provided support to buildings developed by SHBT previously. The potential also exists that other funding opportunities may be available to support this more community-based use of the building, particularly relating to health & wellbeing and the development of community heritage interpretation.

The incorporation of energy efficiency measures and renewable energy technology to help mitigate the buildings impact on climate change also has the potential to attract a range of funders either with direct grant support and/or low interest loans for design and installation costs. These funding streams seem to be more changeable and time dependant, and will be investigated more during the development phase of the project as the renewable energy strategy is identified fully and developed in more detail.

A table indicating the currently identified potential funding opportunities for the redevelopment options is presented below. This list will be continually updated as additional research is carried out and the project is more fully developed during the next project development stage. The potential funding is applicable to all of the identified redevelopment options.

CAPITAL PROJECT FUNDING	
Funding Organisation / Stream	Amount
Architectural Heritage Fund	£40,000
Historic Environment Scotland	£500,000
National Lottery Heritage Fund	£5,000,000
CEC - Rental Value (5 years @ £35k p.a.)	£175,000
Common Good Fund	£50,000
Landfill Tax (Various Funders)	£165,000
Monument Trust	£500,000
Scottish Arts Council	£50,000
Foundation Scotland (Various)	£137,000
Museum Galleries Scotland	£20,000
Renewable Energy Funding (Various)	£1,225,000
Charitable Trusts & Foundation	£827,500
Philanthropic Donations	£100,000
Business Sponsorship	£50,000
Community Share	£150,000
Public Appeal	£50,000
Gift Aid on Public Appeal	£12,500
SHBT - Custom House Property Surplus	£75,000
Volunteer Time	£150,000
TOTAL INCOME	£9,277,000

The deficit between the total project costs (Building works, fees, fit out and other project costs) and the currently identified funding is around £5.9million for both Options 3 and 4 which is significant. The deficit between the total project costs and the currently identified funding for Option 1 is less, at around £4.0million, however this is still significant shortfall.

Whilst the preference would be to undertake all of the chosen development as a single contract there is scope to look at the potential to phase any of the development options as follows:

- Phase 1 Enhancement of the ground & first floor accommodation to Custom House including fabric repairs to internal and external elements, replacement of building services; and the incorporation of physical interventions to improve access, vertical circulation (Lift & Stairs), and ancillary accommodation to the building.
- Phase 2 Enhancement of the ground & first floor accommodation to the Cruiser Store including fabric repairs to internal and external elements, replacement of building services; and the incorporation of physical interventions to the building.
- Phase 3 Improvements to the external public spaces to Dock Place and Custom Lane including landscaping opportunities and enhanced provision of sustainable travel facilities. (Cycle parking, EV Charge point etc)
- Phase 4 Conversion of the attic space of Custom House including necessary fabric upgrading, introduction of daylight and natural ventilation openings etc. and partitioning/fitting out of the spaces. Vertical access to attic level would be incorporated in Phase 1.

The phasing of the development would add additional costs to each phase (estimated at a 10% increase by Morham & Brothie) and the overall development of Custom House. It would also significantly increase the timescale to address all of the issues identified in Section 5.0 of this study to make the building fully open and welcoming for the community.

Phasing of the development would however potentially allow external funding to be secured and targeted critical enhancement and repair works to proceed in a shorter time scale, particularly for the main Custom House building. This may also assist in demonstrating the deliverability of the chosen business model, how it engages with the local community, and thereby help in attracting funders for future phases to complete the wider development of Custom House and the Cruiser Store.

Phasing of the development would also allow continuation of an income stream, all be it on a more limited basis, and potentially retention of some of the buildings existing tenants.

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10.0 THE PREFERRED OPTION

The preferred option for the redevelopment of Custom House based on outcomes of the option appraisal, market appraisal and funding potential exercises is to develop Custom House as a ***mixed-use community and creative hub allowing the accessible display of heritage artefacts relating to the history of Leith.***

The creative studios and limited other commercial accommodation have the potential to generate sufficient revenue to support the sustainable maintenance and upkeep of the building. In addition, there are spaces within the building that can be multifunctional and serve as community space, function venues for hire and exhibition space. The hire of these facilities could also generate income to support the buildings upkeep and underpin the wider community and heritage display elements ensuring that the majority of Custom House is publicly accessible all year round.



First Floor Plan



Ground Floor Plan

10.1 Breakdown of Accommodation

The Custom House development can be broken down into the 3 storeys (including the attic) of the Main Building and the 2 storey Cruiser Store building. The proposed development has a total floor area of 2,763sqm – 29,740sqft, split between Custom House (1,889sqm – 20,333sqft) and the Cruiser Store (874sqm – 9,407sqft). The accommodation is broken down further into the various uses as shown in figure (10.i) below.

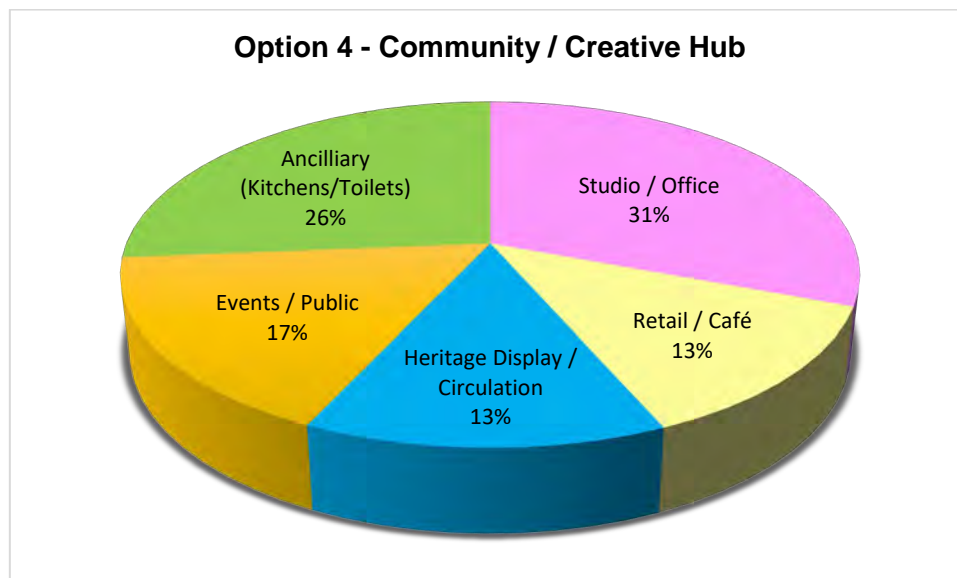


Figure (10.i) Area analysis of preferred option

Some of the accommodation has income generating potential and as shown in figure (10.ii) the balance between each type of income generating use is quite even. This will allow the building flexibility for the future as no one use dominates over the others, making the potential for the building income to be stable and consequently the preferred option sustainable in the future.

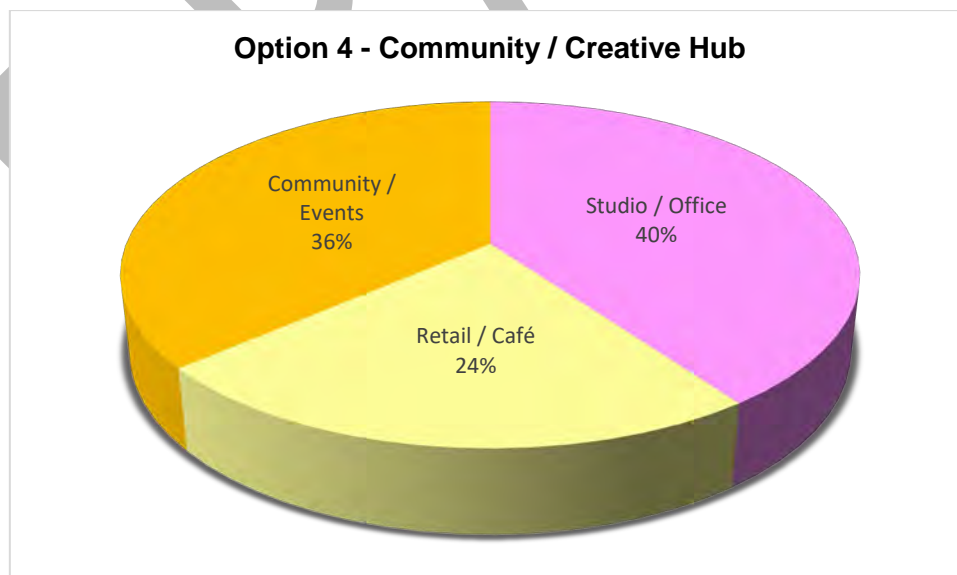


Figure (10.ii) Income generation potential per accommodation type

The breakdown of accommodation on each floor itemised on the following pages.

10.1.1 Custom House - Ground Floor

The focus for the ground floor of the main building is to create an open and accessible internal “street” linking Dock Place with Custom Wharf, reinstating the original Robert Reid designed entry sequences from both the East and West via re-established external courtyards. This central circulation spine would provide opportunities for some heritage display, as well as an enhanced entrance, orientation and interpretation for the building.

The majority of the ground floor, perimeter accommodation would remain intact, with the spaces enhanced to meet modern requirements, to provide flexible rooms capable of hosting a variety of community activities, secure curated heritage display, touring exhibitions and performances, and functions and events.

Enhanced toilet and service provision would be incorporated on the ground floor to serve this significant community facility whilst new vertical access (including additional stairs and lift) would allow coordinated access to the upper floors.

The ground floor arrangement would allow scope to open/close the building in a number of ways to allow full or limited access as required by the needs of the building users. The arrangement would also allow access to the upper floors of the building either publicly or in a secure manner which would be beneficial for letting to independent tenants.

The breakdown of Custom House Ground Floor accommodation areas and occupancy levels is as follows:

Room No.	Use Description	Area (sqm)	Area (sqft)	Occ. Cap. (General)	Occ. Cap. (Assembly)
CH001	Central Entrance Lobby	14.1	152	NA	NA
CH002	Toilet / Service	24.2	260	NA	NA
CH003A	West Entrance (Dock Place)	23.9	257	NA	NA
CH003B	Community Room	18.1	194	18	36
CH003C	Community Room	49.2	530	49	98
CH003D	Community Room	28.3	305	28	56
CH003E	Community Room	43.6	469	43	86
CH003F	Community Room	50.7	546	50	100
CH004A	West Circulation / Display	57.5	619	NA	NA
CH004B	West Stair Lobby	9.5	102	NA	NA
CH004C	Toilet / Service	13.5	145	NA	NA
CH005	Community Room	32.9	354	32	64
CH006	Community Room	31.7	341	31	62
CH007	Toilet / Service	4.1	44	NA	NA
CH008	East Stair Lobby	15.7	169	NA	NA
CH009	Toilet / Service	15.3	165	NA	NA
CH010	Community Room (Gallery)	50.7	546	50	100
CH011	Community Room	35.9	386	35	70
CH012	Community Room	26.3	283	26	52
CH013	Community Room	28.0	301	28	56
CH014	Community Room	22.5	242	22	44
CH015	Toilet / Service	15.0	161	NA	NA
CH016	Central Staircase / Display	70.4	758	NA	NA
CH017	East Circulation / Display	65.4	704	NA	NA
CH018	East Entrance (Custom Wharf)	36.2	390	NA	NA
Total				412	824

10.1.2 Custom House - First Floor

The preferred first floor option for Custom House retains much of the original fabric and layout of the building with the perimeter rooms generally providing creative studio accommodation accessed from the central circulation areas.

The original “Long Room” of Custom House, to the West of the central stair, is proposed to be subdivided to provide additional creative studio accommodation with an event space identified under the domed ceiling with the Cupola rooflight. The West accommodation could therefore be secured as a “zone” for semi private use by the tenants, opening up for specific events or activities as required.

Similarly, the creative studio accommodation to the East on the first floor is accessed from the central circulation space which could also provide additional event space. Circulation required to access the lift makes the Eastern central space more difficult to secure however there is an opportunity, by using the small corridor (CH115) outside the former Board room (CH114) to provide a secure “buffer” space from public areas of the building.

The central rooms to the North on the first floor (CH109 & CH110) are identified as Community Spaces but could provide flexible space for events and, perhaps, changing exhibitions linked to the permanent display. The new stairs and lift from the ground floor provide the potential for secure access for the tenants of the upper floors direct from Custom Lane, allowing other parts of the building to be secured when not in use.

The layout provides flexibility for the future accommodation needs of the building (i.e. the rooms can be designated with a use as required) whilst retaining the overall historic fabric and sequence of spaces from the William Burn alterations of 1824. There is, of course, the option to retain the original “Long Room” rather than subdivide the space as proposed, dependant on the business model for the building operation and the need for specific types of accommodation such as a larger event/function space. The breakdown of Custom House First Floor accommodation areas and occupancy levels is as follows:

Room No.	Use Description	Area (sqm)	Area (sqft)	Occ. Cap. (General)	Occ. Cap. (Assembly)
CH101	Creative Studio	39.7	427	6	NA
CH102A	Creative Studio	54.0	581	9	NA
CH102B	West Circulation / Display	63.8	687	NA	126
CH103	Creative Studio	22.7	244	3	NA
CH104	Toilet / Service	3.3	36	NA	NA
CH105	Creative Studio	18.5	199	3	NA
CH106	Creative Studio	18.1	195	3	NA
CH107	West Stair Lobby	11.7	126	NA	NA
CH108	Toilet / Service	11.1	119	NA	NA
CH109	Community Room	36.0	388	36	72
CH110	Community Room	31.7	341	31	62
CH111	Toilet / Service	4.1	44	NA	NA
CH112	East Stair Lobby	13.5	145	NA	NA
CH113	Toilet / Service	18.7	201	NA	NA
CH114	Creative Studio	33.5	361	5	NA
CH115	Lobby	9.8	105	NA	NA
CH116	Creative Studio	25.6	276	4	NA
CH117	Creative Studio	28.0	301	4	NA
CH118	Creative Studio	36.8	396	6	NA
CH119	Central Staircase / Display	42.0	452	NA	NA
CH120	East Circulation / Display	54.4	586	NA	108
Total				110	368

10.1.3 Custom House - Attic Floor

The Attic floor has the potential to be developed to provide either small scale cellular creative studio accommodation (Rooms in the roof) or to create a more open plan “booth” type accommodation similar to the spaces created by GRAS in the current first floor of Custom Lane/Cruiser Store.

Circulation is required to link both the East and West access stairs with the creative studio accommodation proposed to the East, South and West. The creative studio accommodation would require significant openings to be formed in the existing roof fabric to provide natural daylight however this would provide the opportunity to create some highly desirable, creative spaces at the attic level.

Lift access would be brought up to the attic level from the ground floor, ensuring that the building was fully accessible to all.

Whilst the development of the attic level would provide more private creative studio accommodation, it would add to the income generating potential of the building as a whole and help to support the more public / community activities and spaces offered within a redeveloped Custom House.

The breakdown of Custom House Attic Floor accommodation areas and occupancy levels is as follows:

Room No.	Use Description	Area (sqm)	Area (sqft)	Occ. Cap. (General)	Occ. Cap. (Assembly)
CH201	Plant / Toilet / Services / Storage	38.8	418	NA	NA
CH202	East Stair Lobby	16.3	175	NA	NA
CH203	Creative Studio	63.8	687	10	NA
CH204	Circulation	64.9	699	NA	NA
CH205	Storage	5.6	60	NA	NA
CH206	Creative Studio	28.0	301	4	NA
CH207	Creative Studio	41.1	442	6	NA
CH208	Storage	4.6	50	NA	NA
CH209	Creative Studio	56.5	608	9	NA
CH210	West Circulation	28.5	307	NA	NA
CH211	Plant / Toilet / Services / Storage	49.9	537	NA	NA
Total				29	0

10.1.4 Cruiser Store - Ground Floor

The preferred option for the ground floor of the Cruiser Store is to provide commercial accommodation throughout with the East and West pavilions being stand-alone retail or office space at ground floor level. With the removal of the existing boiler room, the South elevation of the Cruiser Store, facing on to Custom Lane would be significantly opened up to create an enhanced “street” building on the activity already provided in Custom Lane. The focus of the ground floor accommodation between the pavilions would be to provide opportunities for small café / restaurant businesses to inhabit the Lane and bring a vibrancy to the outdoor space. This commercial activity would assist in financially underpinning the community activities and spaces within Custom House and offer the potential for catering of events and functions as well as providing a social destination within, and for, the community.

The breakdown of the Cruiser Store Ground Floor areas and occupancy levels is as follows:

Room No.	Use Description	Area (sqm)	Area (sqft)	Occ. Cap. (General)	Occ. Cap. (Assembly)
CS001	Retail Unit	33.5	361	16	NA
CS002	Plant / Toilet / Services / Storage	76.1	819	NA	NA
CS003	Café / Retail	111.9	1204	111	222
CS004	Café / Retail	128.0	1378	128	256
CS005	Toilet /Services	15.4	166	NA	NA
CS006	Stair Access to First Floor	12.1	130	NA	NA
CS007	Toilet /Services	6.3	68	NA	NA
CS008	Toilet /Services	11.2	121	NA	NA
CS009	Retail Unit	33.5	361	16	NA
Total				271	478

10.1.5 Cruiser Store - First Floor

The first floor of the Cruiser Store would offer creative studio accommodation on a similar basis to the existing accommodation with enhancements made to toilet and provision. The “room in the roof” accommodation fits well with various types of creative studio use and has the potential to create a vibrant addition to the overall Custom House development. There is some potential to explore the phasing of the development, with the Cruiser Store forming a later stage, particularly if the use is an enhancement of the existing facility rather than a full-scale redevelopment.

The breakdown of the Cruiser Store First Floor areas and occupancy levels is as follows:

Room No.	Use Description	Area (sqm)	Area (sqft)	Occ. Cap. (General)	Occ. Cap. (Assembly)
CS101	Creative Studio	19.6		3	NA
CS102	West Circulation	6.0		NA	NA
CS103	Creative Studio	10.5		1	NA
CS104	Toilet / Services	4.5		NA	NA
CS105	Toilet / Services	4.5		NA	NA
CS106	Creative Studio	34.1		56	NA
CS107	Stair Access to Ground Floor	12.1		NA	NA
CS108	Toilet / Services	4.5		NA	NA
CS109	Toilet / Services	4.5		NA	NA
CS110	Creative Studio	20.0		3	NA
CS111	East Circulation	6.0		NA	NA
CS112	Creative Studio	10.2		1	NA
Total				64	0

10.2 Key Users and Activities

The preferred option aims to open Custom House to the wider community as well as building on the creative community that has developed during the buildings “meanwhile” use. The following key users are anticipated:

10.2.1 Community Organisations

The Custom House will be developed to be open and accessible to all and the preferred option, creating a community and creative hub, will ensure that the ground floor will have a variety of spaces that can be used by a number of local groups. The accommodation will be developed to be flexible to cater for as many uses as possible, such as classrooms for learning, craft spaces, exhibitions, meetings etc. SHBT will manage the spaces and encourage local promotion to ensure the building becomes an attractive and welcoming venue for a diverse range of local groups and organisations.

10.2.2 Visitors and Tourists

The potential for a redeveloped Custom House to be used to create a series of spaces to house a high-quality heritage display element would aim to attract visitors from the local community and further afield. The building can be another landmark destination in Leith to compliment other attractions, such as the Royal Yacht Britannia and Trinity House Museum to the benefit of the local economy.

The inclusion of a café and/or retail accommodation in the Cruiser Store will also reinforce the destination potential for Custom House.

10.2.3 Creative Practitioners and Businesses

The “meanwhile” use of Custom House has successfully developed a creative community and, it is hoped, that this community can be enhanced in the redeveloped building. The upper floor accommodation provides robust spaces for creative endeavour and, coupled with areas for exhibitions and displays as well semi private spaces for a variety of communal activities, has the potential to become a highly sought-after location for many creative practitioners.

10.2.4 Leith Community in General

The aim has always been to create a building that is open and welcoming for the community of Leith. With the variety of spaces that will be available there will be potential to engage with the community in a variety of ways. The building will provide accommodation suitable for small to medium scale events and functions and will aim to attract, individual, one off activity to ensure the building becomes truly embedded in the community.

10.3 Delivery of Preferred Option

Custom House was purchased by the City of Edinburgh Council using Common Good funding and as such the Council will retain ownership of Custom House in the future.

Discussions have however taken place from the outset of SHBT’s involvement in the project as to the mechanism needed to allow SHBT to undertake the redevelopment and future management of the building.

In order for SHBT to secure external funding to deliver the preferred option, the City of Edinburgh Council have agreed, in principle, to award SHBT a long-term lease of the building (99-year) for a nominal rent. The long-term lease will start when the project is fully funded and site operations are ready to commence. This lease period will be a crucial condition for many of the external funders.

The car park to Dock Place is under the ownership of Forth Ports Ltd however early discussions have concluded that Forth Ports Ltd are willing to offer a long-term lease of the car park area (99-year) to run concurrently with the long-term lease period for Custom House. This will ensure that the setting of Custom House, so crucial to its overall character,

will be secured for the long term and that any necessary access arrangements and publicly accessible spaces can be delivered as part of the overall development.

These lease agreements will enable SHBT to access funds available to them as a charity and Building Preservation Trust. SHBT will then deliver the capital project, with a view that upon completion SHBT will employ the necessary resources to operate and manage the building in the long term, maintain the building to a high conservation standard and ensure that the requirements and objectives of the various funding bodies are fulfilled.

10.4 Benefits of Preferred Option

The preferred option is a potential way forward for the future development that will see the A-listed Custom House, Leith conserved and re-used to a standard and use appropriate to the significance of the building. The redevelopment of the building will see the creation of an open and welcoming venue for the community whilst building a resilient and vibrant creative community therein.

The redevelopment of the building to a high standard will include repairs to the external fabric of the building as well as improving the accessibility to, and within, the building, enhancing the links between the building and the external public spaces, and encouraging a diverse range of activities to take place in and around the building. It will also provide unprecedented public access to this significant historic landmark in Leith to a wide range of users from the local community as well as national and international visitors, forging links with the wider community, showcasing the collection of artefacts held by the City of Edinburgh Council relating to the history of Leith, and providing opportunities for other touring exhibits to be displayed in the local area rather than further afield.

The redevelopment of Custom House has the potential to create a community hub to interact, share and learn from each other and from the resources that will be provided, and will therefore benefit a range of community, voluntary, educational, artistic and cultural organisations within the area.

The multi-functional nature of the community rooms and public spaces within the building will not only bring a range of different uses to these spaces but will also provide a high-quality venue for use by local arts and cultural organisations and be available to provide activities and events in relation to local Festivals, contributing to the dynamic arts and cultural provision in Leith.

These community spaces, coupled with the creative studio accommodation, aim to develop a synergy to maximise the shared participation of the building and ensure that Custom House develops into a vibrant and respected asset within Leith.

The inclusion of commercial space, including the creative studios will financially underpin the operation costs of the community spaces ensuring that the hire costs are kept low, making the building truly accessible within the community.

10.5 Adaptability of Preferred Option

The Short Listed options development exercise has demonstrated that an appropriate layout for the building combines a mix of uses including community space, heritage display accommodation, creative studios and commercial units.

At present the preferred use for the building is as a mixed-use community and creative hub allowing the accessible display of heritage artefacts relating to the history of Leith, however, the original building layout is still very much intact and could easily allow the expansion or contraction of the level of community facilities or creative studios without significant alteration.

Custom House has an innate flexibility in terms of the use given to the rooms, particularly those rooms around the perimeter of the building, and if the access issues are resolved as suggested then future flexibility is assured. Indeed, the other options explored could also be

incorporated without significant alteration to the internal or external fabric beyond what has already been proposed, provided an alternative need could be demonstrated to be viable.

10.6 Back Up Options

Due to the challenging funding market currently being experienced, particularly since the Covid pandemic, it is prudent to investigate the potential for a reduced scope project for Custom House. The following options are proposed which would allow a more modest project to proceed, securing the buildings future and providing accessible community accommodation and Heritage display, in line with the stated outputs for the project.

10.6.1 Reduced Scope Development - The Enhanced Existing Use

Having assessed various options and mitigating factors it is proposed that Option 1 – The Enhanced Existing Use is developed as a backup option to the preferred development option.

This option looks to enhance the existing building fabric whilst minimising the physical interventions proposed and therefore is the lowest cost full development option investigated by this study. The aim is still to provide enhanced access to, and within, the building for the community and provide some degree of Heritage Display which is accessible to the public.

This back up option has a total floor area of 2,848sqm – 30,655sqft, split between Custom House (1,974sqm – 21,248sqft) and the Cruiser Store (874sqm – 9,407sqft) The accommodation is broken down further into the various uses as shown in figure (10.iii) below.

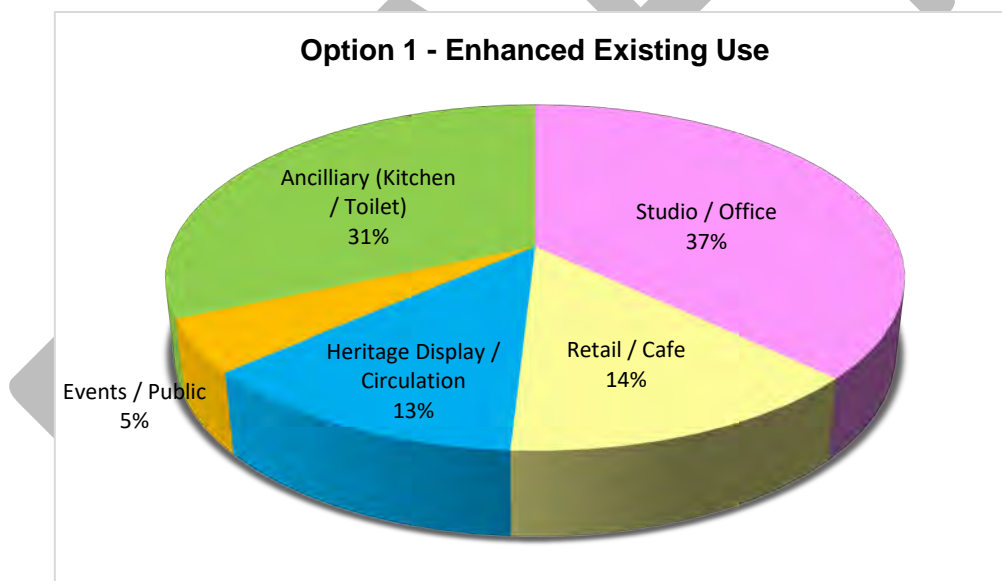


Figure (10.iii) Area analysis of back up option

Similar to the preferred option, some of the accommodation has income generating potential and as shown in figure (10.iv) the balance between each type of income generating use is quite even although the main use will clearly be linked to creative studio accommodation.

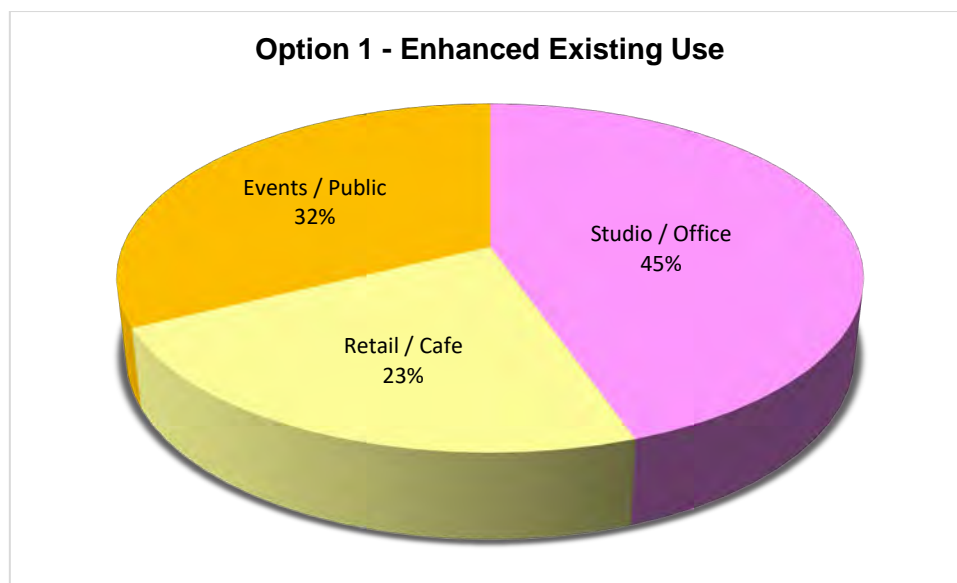


Figure (10.iv) Income generation potential per accommodation type

The reduced scope of this option, as identified in Section 9.0 Capital Project Costs, also results in a reduction of the project development costs by nearly £2million from the Preferred Option. These costs could be further reduced through a process of value engineering of the estimated construction costs and specification, as well as a careful assessment of the other project costs in relation to a reduced scope project. Care would need to be taken to ensure that the project was still attractive to potential funders and met, at least in part, the criteria for the buildings purchase and aspirations from the community.

The next stage of the project development would assess this potential, and identify the impact both on project costs and project outputs in more detail.

10.6.2 Preferred Option - Phased Development

Whilst the preference would be to undertake all of the development as a single contract there is scope to look at a phased development of the Preferred Option to create a ***mixed-use community and creative hub allowing the accessible display of heritage artefacts relating to the history of Leith*** as follows:

- | | |
|---------|---|
| Phase 1 | Enhancement of the ground & first floor accommodation to Custom House including fabric repairs to internal and external elements, replacement of building services; and the introduction of accessible external access points and additional vertical circulation within the main building. (Lift & Stairs) |
| Phase 2 | Enhancement of the ground & first floor accommodation to the Cruiser Store including fabric repairs to internal and external elements, replacement of building services; and the introduction of accessible external access points to the building. |
| Phase 3 | Improvements to the external public spaces to Dock Place and Custom Lane including landscaping opportunities and enhanced provision of sustainable travel facilities. (Cycle parking, EV Charge point etc) |
| Phase 4 | Conversion of the attic space of Custom House for creative studio accommodation including fabric upgrading, introduction of daylight and natural ventilation openings etc. Vertical access to attic level to be incorporated in Phase 1. |

The estimated total project costs for Phase 1 of the Preferred Option would be around £10million, some £5.1million less than the full development costs. This “saving” would need to be balanced against the likely increased cost associated with other phases of

development and the reduced income generating potential of the building until all phases are completed.

The potential phasing of the development would almost certainly add additional costs to each future phase (estimated as at least 10% increase by Morham & Brotchie) and the overall development costs for Custom House. It would also significantly increase the timescale to address all of the issues identified in Section 5.0 of this study.

Phasing of the development would however potentially allow external funding to be secured and critical enhancement and repair works to proceed in a shorter time scale. This may also assist in demonstrating the deliverability of the chosen business model, how it engages with the local community, and thereby help in attracting funders for future phases to complete the wider development of Custom House and the Cruiser Store.

It should also be noted that the Back Option identified in 10.6.1 above, Reduced Scope Development - The Enhanced Existing Use, could also be delivered in a phased manner as identified above.

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13.0 CONCLUSION AND RECOMMENDATIONS

13.1 Summary Conclusion

Custom House is a highly significant landmark building located in the heart of Leith which links back to the areas past as a major trading port between Scotland and the wider world, particularly northern European countries. The buildings architectural composition is significant in showcasing how governmental power was communicated at the time. It should be remembered that Custom House would, when first constructed, have been visible by vessels entering the Port of Leith from a distance.

Whilst the building may not have been open to the general public to any great degree in the past, the cultural and international trade connections that the building facilitated ensured that local area prospered and developed as an individual, significant and diverse community which still resonates to this day.

These links to the building have far reaching implications for the local community and it is fitting that this iconic building has now been purchased, using Common Good funding, to become an asset to assist in the future growth of the community.

An historic building of this scale carries with it the burden of significant operating costs (both day to day running costs, and ongoing maintenance costs) and the need for any future use to be relevant to the local community and be economically sustainable for the long term.

It is highly unlikely that Custom House, in whichever developed form, will receive any third-party subsidy, therefore the income generation potential must be carefully considered to maximise income whilst providing accommodation which is open and accessible for the community.

This study investigated a long list of potential uses for Custom House, some of which could be discounted very quickly as being inappropriate or not sustainable in terms of being able to secure external funding or develop a long-term sustainable use.

A range of five potential use layouts for the building has been explored based on the developed remit for the project as well as the operational potential for SHBT.

It is clear from this assessment that the preferred option for the future use of Custom House is as a ***mixed-use community and creative hub which allows the accessible display of heritage artefacts relating to the history of Leith***. This proposed use meets the requirement of creating an open and accessible building, embedding the future of Custom House within the local community and creating a sustainable economic model to secure the long-term future of the building.

The preferred option will provide multi-functional accommodation with a range of revenue stream potential, but always at its core is the ethos to provide welcoming community accommodation to attract a diverse range of users from across the local community and beyond.

The layout proposed in the preferred option remains flexible enough to accommodate the needs of a changing society (particularly pertinent post Covid) whilst respecting the buildings unique location and architectural significance.

The current funding landscape for a project of the scale of Custom House is challenging and will remain so for the foreseeable future. The preferred option of a mixed-use community and creative hub will require significant external funding as well as local fundraising activities in order to be delivered. There is therefore a risk that the project will not achieve the level of funding required for delivery.

This study has also researched the potential to phase some of the development (between the main building and the Cruiser Store) and / or to revert to the simpler development option of enhancing the existing creative use for Custom House. Whilst not the preferred option this

11.0 FINANCIAL ANALYSIS & VIABILITY

11.1 Capital Project Costs

The estimated capital costs for the preferred re-development of Custom House as a *mixed-use community and creative hub allowing the accessible display of heritage artefacts relating to the history of Leith* are provided below:

CONSTRUCTION COSTS		OPTION 4
BUILDING WORKS	Preparatory Works	£50,000
	Main Contract Building Costs - Custom House External Fabric Repairs	£1,720,000
	Main Contract Building Costs - Custom House Internal Fabric Repairs	£1,587,801
	Main Contract Building Costs - Custom House Alterations	£1,858,960
	Main Contract Building Costs - Cruiser Store External Fabric Repairs	£301,000
	Main Contract Building Costs - Cruiser Store Internal Fabric Repairs	£998,773
	Main Contract Building Costs - Cruiser Store Alterations	£321,194
	Cruiser Store Allowance	£0
	Main Contract Building Costs - Attic Conversion	£350,000
	Inflation (assume site start Spring 2025) @ 20.8%	£1,752,158
	Public Realm - Car Park, Custom Lane & Custom Wharf	£750,000
	Building Works Sub-Total	£10,925,984
PROFESSIONAL FEES	Building Survey Fees	£25,000
	Design Team Fees (13.07% of Contract Costs, incl Public Realm - etc)	£1,428,028
	Public Realm - Consultant Fees (15% of Contract Sum LAB%, QS4%, SME/3%)	£112,500
	Project Management Fee/SHBT (5% of Building Costs)	£546,299
	Professional Fees Sub-Total	£2,111,825
	CONSTRUCTION COSTS TOTAL	£13,037,810
OTHER CAPITAL COSTS		OPTION 4
OTHER PROFESSIONAL FEES	Legal (Securities, Leases, etc), Accountancy, VAT	£60,000
	Property Valuation (for Cash Flow Loan)	£5,000
	Archaeology/Building Recording/Heritage Impact (incl Car Park/Wharf, etc)	£35,000
	Heritage Display Curatorial Fee	£25,000
	Community Consultation	£7,500
	Business Plan	£15,000
	Marketing Plan & Year 1 Marketing Costs	£25,000
	Additional Reports	£25,000
PROPERTY FIT OUT COSTS	General, Statutory & Signage Fit Out Costs	£25,000
	Front of House/Community/Meeting Room Fit Out Costs	£35,000
	Communications (Telephone/Broadband/IT) Fit Out Costs	£35,000
	Other Fit Out Costs	£25,000
MISCELLANEOUS COSTS	Insurance (Based on 2.5 years @ £50,000 p.a.)	£125,000
	Statutory Consents	£20,000
FUNDRAISING COSTS	Fundraising Fees (SHBT Staff Costs - equiv of 1 x full staff for 3 years)	£90,000
	Fundraising Expenses / Goods Purchasing	£25,000
EXPENSES	Sundry Expenses & Disbursements on Fees	£25,000
FINANCIAL COSTS	Anti Cash Flow Loan (£300,000 x 5 years @ 8% interest)	£150,000
	Property Shortfall - Covering 3 years of Property Shortfall @ £30k p.a.)	£90,000
CONTINGENCY	SHBT Client Contingency	£100,000
	OTHER CAPITAL COSTS TOTAL	£942,500
ACTIVITY COSTS		OPTION 4
Staff Costs	Community Engagement/Activity Delivery Officer (5 Year Full-Time post)	£150,000
Activity Costs	Community Engagement/Activity Plan Consultants Fee	£15,000
	Community/Activity Plan Delivery Costs/Expenses	£50,000
Training	Training for Volunteers	£15,000
Interpretation	Heritage/Exhibition/Interpretation Design Fee	£50,000
	Heritage Exhibition/Interpretation Fit Out	£150,000
Digital Outputs	Filming/Photographic Recording	£25,000
	Website - New Custom House Website & CRM Booking System	£35,000
	ACTIVITY COSTS TOTAL	£480,000
OTHER PROJECT COSTS		OPTION 4
BPT Overheads	SHBT Overheads based on FCR Calculation over 5 Years (@ £40k)	£200,000
Recruitment	Recruitment Expenses for new Staff	£3,000
Non Cash Contributions	CEC - Property Rental Value (5 years @ £35k per year)	£175,000
Volunteer Input	See Separate Sheet for Breakdown (incl volunteers, activity & SHBT Trustees)	£150,000
Inflation	Assumed 7% on other Costs (Tender Price Inflation noted above)	£100,275
	OTHER PROJECT COSTS TOTAL	£628,275
	PROJECT COSTS TOTAL	£15,088,585

These costs include the following:

- Construction costs and associated professional fees (design team and project management);
- Other professional fees including; archaeological survey, heritage impact assessment, business and marketing plans, and legal fees;
- Statutory fit-out including fire extinguishers, signage and alarms
- Office fit-out costs including furniture, computers, copiers etc;
- Meeting/venue space fit-out including furniture and audio equipment;
- Communications fit-out including computers, telephone, visitor management and induction loop;
- Heritage Interpretation and fit out;
- Community engagement activity programme development;
- Salary and training budget for a Community Engagement Officer to develop programmes and activities and build the audience for access to the heritage display element;
- Cost of BPT organisation, overheads and fundraising fees;
- Interest on Architectural Heritage Fund cash flow loan;

11.2 Capital Project Funding

SHBT is the largest and most active building preservation trust in Scotland and has considerable expertise in developing, funding, and managing complex historic building repair and conservation projects. SHBT's project development model is that all capital projects must be fully funded.

The funding climate in Scotland, and the UK as a whole, is currently challenging as a result of the impact of the Covid-19 pandemic as well as wider issues of conflict and energy price rises. This may mean that public funding and funding from Charitable Trusts and Foundations is harder to access and/or very competitive. However, any fundraising strategy developed by SHBT for Custom House would also include philanthropic donors, business support and a defined local community public appeal.

A full list of potential project funders will be prepared when additional research is carried out at the project development stage. At this stage, the main potential capital grant funders for the project have been identified as follows:

Architectural Heritage Fund – Project Development Grant (Maximum Funding = £40,000)

The Architectural Heritage Fund can award grants towards project development. Project Development grants are only available to Building Preservation Trusts and are awarded if the end use is demonstrated to be feasible. The total amount of project development grants available is £40,000. The Architectural Heritage Fund also offers a loan facility to assist organisations with cash flow during the construction phase of a project.

Historic Environment Scotland - Historic Environment Repair Grant (Maximum Funding = £500,000)

Under the Historic Environment Repair Grant scheme, financial help is available to meet the cost of high-quality repairs using traditional materials and specialist contractors to conserve original features in buildings of special architectural or historic interest. In return properties must be maintained and fully insured for a specific period of time and allow some access to visitors. Applicants must be organisations or individuals who have a legal responsibility for the repair of a historic building.

Heritage Fund - Heritage Enterprise Programme

(Maximum Funding = £5million)

The Heritage Enterprise scheme is aimed at projects that seek to rescue neglected historic buildings and sites and return them to a viable productive use. Only not-for-profit organisations and partnerships between commercial and not-for-profit organisations can apply for Heritage Enterprise grants. Grants of between £250,000 and £5million can be applied for, although a limited amount of funding (10% of the delivery grant request) is also available for urgent repair works to prevent further deterioration of a building during the development phase.

Local Authority & National Government Grants

(Maximum Funding = Varies)

A variety of funding streams are being promoted by both the local authority and national governments (Town Centre Fund, Levelling Up Fund etc), in some cases with very short turn around for application or delivery. These funds are changeable over time therefore it is crucial that, as the Custom House project becomes “shovel ready”, the opportunities to secure funding from these sources is identified.

Climate Change and Energy Efficiency Grants

(Maximum Funding = Varies)

Detailed strategies to address/mitigate the impact of climate change and issues of energy efficiency/consumption for Custom House will be part of the project development stage.

There are likely to be opportunities, at that point, to identify funding streams directly related to these issues, improving the fabric or insulating envelope of the building, and/or incorporating renewable energy/micro-generation technology.

Charitable Trusts and Foundations

(Maximum Funding = Varies)

A significant amount of funding could be raised from Charitable Trusts, some of which will fund the building repairs and some of which will contribute towards delivery of particular viable end uses. Applications to Charitable Trusts are typically made once there has been a significant success with major capital grant funding and there is a shortfall to meet.

Local Community Public Appeal

(Maximum Funding = Varies)

The development of a local community Public Appeal to support the project is seen as a key aspect for the overall funding package. Such a campaign is not intended to generate significant sums for the development compared with other Capital project funders, but rather to demonstrate the commitment from within the community for the project. It is crucial for the project's future success and sustainability that the local community take “ownership” of the project and that it is for the people of Leith.

As the preferred scheme will also include uses that may be deemed to attract commercial rents, such as private hire of the public spaces, or the incorporation of commercial units for rent, they may not be eligible for some capital funding. It must be demonstrated that any income generated by the commercial elements of Custom House are essential to the upkeep and maintenance of the building and not for profit.

Through experience and initial contact with funders, we can assume likely available levels of funding. The current funding climate is challenging and complex, particularly due to the impact being felt from the Covid pandemic. Competition is fierce for all funding bodies and the project team will be mindful of other community projects which may also be seeking funding at a similar timeframe as the Custom House project (Newhaven Heritage Museum)

11.3 Project Funding Matrix

A table indicating the currently identified potential funding opportunities for the redevelopment options is presented below. This list will be continually updated as additional research is carried out and the project is more fully developed during the next project development stage.

CAPITAL PROJECT FUNDING	
Funding Organisation / Stream	Amount
Architectural Heritage Fund	£40,000
Historic Environment Scotland	£500,000
National Lottery Heritage Fund	£5,000,000
CEC - Rental Value (5 years @ £35k p.a.)	£175,000
Common Good Fund	£50,000
Landfill Tax (Various Funders)	£165,000
Monument Trust	£500,000
Scottish Arts Council	£50,000
Foundation Scotland (Various)	£137,000
Museum Galleries Scotland	£20,000
Renewable Energy Funding (Various)	£1,225,000
Charitable Trusts & Foundation	£827,500
Philanthropic Donations	£100,000
Business Sponsorship	£50,000
Community Share	£150,000
Public Appeal	£50,000
Gift Aid on Public Appeal	£12,500
SHBT - Custom House Property Surplus	£75,000
Volunteer Time	£150,000
TOTAL INCOME	£9,277,000

This shows that it may be possible to raise over £9million towards the capital project and is based on the following assumptions:

- The maximum anticipated funding amounts from the main funding bodies as described above are awarded;
- A successfully subscribed community share issue;
- A successful public fundraising appeal;
- There will be a mix of direct grant funding and low interest loans;

11.4 Indicative Capital Project Programme

An indicative programme for the preferred capital project is provided below. In summary it is anticipated that the capital project will be a six-year project with project development starting in the third quarter of 2022 (Autumn) with project completion anticipated in Spring 2028.

The capital project may be undertaken in phases (Custom House and Cruiser Store) dependant on the funding potential however this will be explored further in the development stage of the project. This would have the benefit of potentially retaining some of the existing creative community at Custom House.

Indicative Programme - Capital Project Custom House																																					
		2022				2023				2024				2025				2026				2027				2028											
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Approval of preferred option by project stakeholders.																																					
Funding Strategy Identification																																					
Project Development Funding Applications																																					
Finalise Brief and Appoint Design Team																																					
Design Development - Planning & LBC																																					
Technical Development - Building warrant																																					
Tender Action and Assessment																																					
Appointment of Main Contractor																																					
Fundraising - Major Grants																																					
Fundraising - Charitable Trusts																																					
Community Share Issue & Public Appeal																																					
Construction Phase																																					
Fit-out and Handover																																					
Opening of Custom House																																					

11.5 Capital Project Viability – Preferred Option

Currently the estimated project costs for the preferred option - ***mixed-use community and creative hub*** - are £15,098,585. This figure includes all construction works, design team fees, statutory fees and other project costs and is the total estimated cost to deliver the preferred option as a single contract project. The preferred option project costs include all of the proposed interventions, fabric repairs, services renewal, attic conversion, landscaping, and fit out (including heritage display curation and exhibition design) for both the Custom House and the Cruiser Store.

Based on the current exploration of potential external funding opportunities, including a local fundraising campaign, the estimated income for the capital project delivery is approximately £9,277,000. This results in a potential funding deficit of approximately £5.9 million based on the current estimated capital project costs and potential funding identified.

It has been demonstrated that there is scope to generate surplus income during the day to day operation of the preferred option for Custom House and the Cruiser Store. (See Section 12.0 - Management and Financial Implications)

Due to the significant funding deficit the conclusion is that the preferred option, in its current form, is NOT viable from external funding sources alone. There is however potential to generate further income through a wider investigation of potential funders during the next development stage and also potential borrowing based on the annual surplus projected for the completed project.

Further work to test the reduction or omission of certain elements from any future development, including the impact on potential outcomes and income / expenditure analysis will need to be undertaken in the next development stage. Further detailed research will also be required to determine if the preferred option can generate additional external funding, perhaps for specific elements within the development (Renewable energy, safeguarding historic fabric, heritage interpretation, health & wellbeing etc.) Some of these funding streams may only become apparent now that a preferred option has been identified.

11.6 Capital Project Viability – Back Up Option

Currently the estimated project costs for the back-up option – ***enhanced existing use*** - are £13,179,993. This figure includes all construction works, design team fees, statutory fees and other project costs and is the total estimated cost to deliver the back-up option as a single contract project. The back-up option project costs include all of the proposed interventions, fabric repairs, services renewal, attic conversion, landscaping, and fit out (including heritage display curation and exhibition design) for both the Custom House and the Cruiser Store.

Based on the current exploration of potential external funding opportunities, including a local fundraising campaign, the estimated income for the capital project delivery is approximately £9,277,000. This results in a potential funding deficit of approximately £4.0 million based on the current estimated capital project costs.

Due to the significant funding deficit the conclusion is that the preferred option, in its current form, is NOT viable from external funding sources alone. There is however potential to generate further income through a wider investigation of potential funders during the next development stage and also potential borrowing based on the annual surplus projected for the completed project.

Further work to test the reduction or omission of certain elements from any future development, including the impact on potential outcomes and income / expenditure analysis will need to be undertaken in the next development stage. Further detailed research will also be required to determine if the preferred option can generate additional external funding, perhaps for specific elements within the development (Renewable energy, safeguarding historic fabric, heritage interpretation, health & wellbeing etc.) Some of these funding streams may only become apparent now that a preferred option has been identified.

11.7 Capital Project Viability – Preferred Option - Phased Development

As outlined in Section 10.0 – Preferred Option, the preference would be to undertake all of the development as a single contract. There is, however, scope to look at a phased development of the Preferred Option as identified in 10.6.2

The estimated total project costs for Phase 1 of the Preferred Option would be £9,936,028, more than £5.0 million less than the full development costs. (See Appendix 17) This figure includes all construction works, design team fees, statutory fees and other project costs and is the total estimated cost to deliver the Phase 1, targeting the main Custom House building. A sum has also been included in the identified Phase 1 costs for critical works to the Cruiser Store, particularly to separate services, remove the existing Boiler Room and carry out essential repairs.

Based on the current exploration of potential external funding opportunities, including a local fundraising campaign, the estimated income for the capital project delivery is approximately £9,277,000.

This results in a potential funding deficit of approximately £700k based on the current estimated phase 1 capital project costs. There is potential to value engineer the proposed project costs and also look at borrowing to fund the shortfall, although this would need to be balanced against the likely increased cost associated with other phases of development and the reduced income generating potential of the building until all phases are completed.

The conclusion, therefore, is that undertaking Phase 1 of the Preferred Option is viable from the external funding sources identified and some additional borrowing, although further investigation of the impact on future income generation would need to be fully assessed.

It should be noted that the potential phasing of the development would almost certainly add additional costs to each future phase. (estimated as at least 10% increase by Morham & Brochie) It would also significantly increase the timescale to address all of the issues identified in Section 5.0 of this study.

Phasing of the development would however potentially allow external funding to be secured and critical enhancement and repair works to the main Custom House building to proceed in a shorter time scale. This may also assist in demonstrating the deliverability of the chosen business model, how it engages with the local community, and thereby help in attracting funders for future phases to complete the wider development of Custom House and the Cruiser Store.

12.0 MANAGEMENT AND FINANCIAL IMPLICATIONS

12.1 Long Term Management

SHBT is unusual in that we retain a number of the buildings where we have carried out building conservation and conversion projects and manage the buildings in the long term.

The arrangements vary to suit the individual building and its use. We therefore have a thorough understanding of the long-term resource implications, both financial and staff, of managing historic properties.

It is anticipated that SHBT would continue to manage a developed Custom House, including, sub-letting of commercial spaces, coordinating usage of community spaces, facilitating event hire or short-term rentals, plus managing all repairs and insurance in-house for all of the proposed schemes.

Where a specialist use is identified (Such as a full-scale “Museum” operation) SHBT would review the potential management implications and determine if they were able to resource these in-house.

12.2 Income & Expenditure

Once repaired and redeveloped it is proposed that income will be generated from the following sources:

- Rental of serviced creative studio / office accommodation
- Rental of serviced commercial units (Retail / Café)
- Booking of flexible accommodation spaces by community groups, commercial organisations etc.
- Booking of event spaces for functions, weddings, touring exhibitions, festivals etc.

The income generated by this range of sources will vary, with the higher earning income streams off-setting those that have a lower income generation. The income generated from these uses will be lower in the first few years of operation as occupancy is anticipated to be lower whilst the building establishes a reputation. It is expected that the building will have its maximum occupation and therefore income generation by the sixth year of operation (Year Five).

The flexibility of the building and the spaces provided mean that there is wide potential to generate income from community and commercial lets of the public spaces and heritage display areas to contribute to the running and maintenance of the building, and it will be necessary to do this to boost income to cover the running and maintenance costs.

However, as previously stated if some of the premises are deemed to be on a purely commercial basis then capital funding may be restricted, unless they can be justified in terms of the types of users (learning, artistic, cultural, heritage organisations) and demonstrated to be necessary to finance the building.

12.3 Building Maintenance

Upon completion of any project, SHBT would envisage a Building Maintenance Plan for Custom House being drawn up and implemented. This would be advisable in any case to protect the building fabric and, indeed the properties A-listed status however it will be necessitated within conditions of grant support should the project receive funding from certain sources such as Historic Environment Scotland and/or the Heritage Fund.

The Building Maintenance Plan would draw together all the relevant information which may be required in the future to look after the building. It would include a Planned Preventive Maintenance Programme, setting out sensible intervals for various maintenance and repair operations to the building fabric, internal services, fittings and fixtures.

It is anticipated that funds for planned maintenance and additional funds for unforeseen emergency repairs will be set aside in future budget planning related to Custom House.

On-going maintenance will ensure that future expenditure related to the building fabric can be sustainably managed, and potential future defects are addressed prior to becoming insurmountable.

12.4 Income and Expenditure Forecasts

The following pages have been prepared to estimate the income and expenditure forecasts based on the Preferred Option, as a mixed-use community and creative hub allowing the accessible display of heritage artefacts relating to the history of Leith.

Potential income and expenditure forecasts have been developed to cover a 15-year period for high, medium and low scenarios. A fifteen-year period has been used as this is sufficient to cover the first full cycle of planned maintenance and repairs for the building to maintain it in a good condition. The income generated must be sufficient to cover the running, annual and planned maintenance costs for the building; this will vary depending on the extent of demand for the spaces.

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12.4.1 High Use Scenario

The estimated annual expenditure for the building when operating at high capacity (7 days a week day) have been calculated and are estimated as being £189,000 after opening (Year 1) rising to £297,737 by the sixth year. (Year 5) This is a considerable expenditure but reflects the staffing costs associated with the management of this multi-functional building, the power and heating costs of a building that will be in use seven days a week and the intensiveness of the use of the public rooms and spaces, which bring with it high cleaning costs and insurance premiums.

Estimated expenditure costs at Year 5 for **HIGH USE** scenario are as follows:

EXPENDITURE (Year 5)	£ per annum
Running Costs:	
Building Insurance	£22,000
Gas/Power/Lighting/Water	£55,250
Cleaning and Consumable	£22,500
Waste Collection	£7,250
Window Cleaning	£5,000
Telephones/Broadband	£7,000
Staffing Costs (Receptionist/Building Manager/Out of Hours)	£90,000
Repairs and Renewals	£12,500
Annual Maintenance Costs	£14,250
Total Running Costs	£236,020
Other Costs:	
Rates	£15,000
Planned Maintenance	£19,217
Annual Property Management Fee	£7,500
Marketing (Overhead)	£20,000
Total Other Costs	£61,717
TOTAL	£297,737

Estimated income at Year 5 for **HIGH USE** scenario is as follows:

INCOME (Year 5)	£ per annum
Rental	£266,300
Service Charge	£92,217
Bookings	£205,000
Other Income	£35,000
TOTAL INCOME	£598,517

12.4.2 Medium Use Scenario

The **MEDIUM** use scenario has been calculated as 10% reduction on use of public / community spaces and 30% (Years 0-2) to 15% (Years 3-15) reduction on commercial / studio space use. The expenditure for the building will reduce proportionally for some cost elements that will vary depending on use.

The estimated annual expenditure for the building when operating at medium capacity is £170,858 after opening (Year 1) rising to £270,199 by the sixth year (Year 5).

Estimated expenditure at Year 5 for the **MEDIUM** use scenario is as follows:

EXPENDITURE (Year 5)	£ per annum
Running Costs:	
Building Insurance	£22,000
Gas/Power/Lighting/Water	£49,725
Cleaning and Consumable	£22,500
Waste Collection	£6,163
Window Cleaning	£5,000
Telephones/Broadband	£5,950
Staffing Costs (Receptionist/Building Manager/Out of Hours)	£76,500
Repairs and Renewals	£12,500
Annual Maintenance Costs	£14,520
Total Running Costs	£214,858
Other Costs:	
Rates	£15,000
Planned Maintenance	£19,217
Annual Property Management Fee	£7,500
Marketing (Overhead)	£17,000
Total Other Costs	£58,717
TOTAL	£273,574

Estimated income at Year 5 for **MEDIUM** use scenario is as follows:

INCOME (Year 5)	£ per annum
Rental	£226,355
Service Charge	£78,385
Bookings	£184,500
Other Income	£29,750
TOTAL INCOME	£518,990

12.4.3 Low Use Scenario

The **LOW** use scenario has been calculated as 20% reduction on use of public spaces and 40% (Years 0-2) to 25% (Years 3-15) reduction on commercial / studio space use . The expenditure for the building will reduce proportionally for some cost elements that will vary depending on intensity of use.

The estimated annual expenditure for the building when operating at low capacity is £161,033 after opening (Year 1) rising to £255,624 by the sixth year (Year 5).

Estimated expenditure at Year 5 for the **LOW** use scenario is as follows:

EXPENDITURE (Year 5)	£ per annum
Running Costs:	
Building Insurance	£22,000
Gas/Power/Lighting/Water	£44,200
Cleaning and Consumable	£22,500
Waste Collection	£5,438
Window Cleaning	£5,000
Telephones/Broadband	£5,250
Staffing Costs (Receptionist/Building Manager/Out of Hours)	£67,500
Repairs and Renewals	£12,500
Annual Maintenance Costs	£14,520
Total Running Costs	£198,908
Other Costs:	
Rates	£15,000
Planned Maintenance	£19,217
Annual Property Management Fee	£7,500
Marketing (Overhead)	£15,000
Total Other Costs	£56,717
TOTAL	£255,624

Estimated income at Year 5 for **LOW** use scenario is as follows:

INCOME (Year 5)	£ per annum
Rental	£199,725
Service Charge	£69,162
Bookings	£164,000
Other Income	£26,250
TOTAL INCOME	£459,137

12.4.4 Summary of Income and Expenditure Forecasts

The income/expenditure forecast summaries indicate that with the proposed uses for the building, even with the low use scenario the property has the potential to operate with an operating surplus.

As a charity SHBT invests significant sums in the upkeep of a number of historic properties in their care to ensure they are maintained appropriately for the future. Custom House, as part of that property portfolio, and also as a condition of most, if not all, of the external funders, will require to be maintained appropriately to protect the substantial investment made. Surplus income generated through Custom House will however help support other property maintenance and repair priorities, including to CEC owned properties at Riddles Court and the Tron Kirk, which are under the care of SHBT, with a reciprocal arrangement for future Custom House repair and maintenance requirements.

12.5 Sale of Custom House

As Custom House was purchased by the City of Edinburgh Council with Common Good funding and the stated aim is that, once the project delivery phase is ready to commence, SHBT will transfer from the current short-term lease to a 99-year lease, the potential sale of the property upon completion of a development has not been considered as part of this study.

12.6 Phased Development

Should a phased development be pursued for Custom House then further detailed analysis will be required to assess the impact on estimated income and expenditure projections. It is likely that a reduced building development would generate less income but may also have a reduced expenditure.

An estimated timescale for and future phased developments would also be required to determine when income and/or expenditure may increase during the stated 15 year period.

would allow the critical fabric repairs and improvements to be undertaken and encourage a greater degree of community accessibility to the building, securing its future.

These “back-up” options provide security that a development of Custom House, will be possible and that the building will remain a focal point for the community in the years to come.

13.2 SHBT’s role at Custom House

SHBT were granted an initial short-term lease of Custom House to provide an interim use whilst development proposals were prepared. The stated aim for the project from SHBT is as follows:

- To develop a project that is deliverable in terms of the external capital funding likely to be accessible in a challenging and competitive funding market;
- To address, where possible, the criteria set for the development of Custom House by the City of Edinburgh Council when purchasing Custom House with Common Good funding;
- To ensure that any development proposed brings the property into a continuous and sustainable use that can be managed effectively by resources identified by SHBT;

Once the development proposals have been agreed by key stakeholders and the required external funding identified and secured to allow the development to proceed, SHBT will be granted a 99-year lease to manage and maintain the building. SHBT have significant experience in managing mixed use properties including sub letting buildings, wholly or in part, to other third-party organisations. SHBT also have extensive experience in event management, venue booking for a variety of uses, and community engagement and outreach.

Identification of key partners and development of relevant content to meet the aim of providing Heritage Display related to the History of Leith will be a critical component of SHBT’s role in managing the building and ensuring that Custom House is open and welcoming for the community and visitors from further afield.

SHBT have demonstrated that they have the necessary skills and expertise to develop historic buildings, such as Custom House, and provide them with a sustainable future. Whilst SHBT will attempt to align the project outputs with all the key project stakeholders’ requirements and community expectations it is crucial that they are allowed the latitude to develop the project to meet a sustainable business model for both Custom House and their wider property portfolio.

13.3 Project Development and Implementation

As this study demonstrates there is the potential (all be it challenging) to develop a capital project with a long-term sustainable end use for the building as a mixed-use community and creative hub which allows the accessible display of heritage artefacts relating to the history of Leith. To develop this preferred option further it is recommended that the following action needs to be undertaken:

- Agreement on the preferred option as a mixed-use community and creative hub which allows the accessible display of heritage artefacts relating to the history of Leith by the project’s key stakeholders.
- Development funding to be applied for, from the Architectural Heritage Fund and others;
- Develop capital fundraising strategy including local community fundraising targets and activities;

- Initial applications to major funders including Historic Environment Scotland, the Heritage Fund, Architectural Heritage Fund etc. with a view to a response within 6 months;
- Further research of the physical fabric of the building to better understand the changes and alterations to the property particularly where substantial interventions to form vertical access (Stairs and lift), external openings and sanitary accommodation is proposed.
- Appointment of design team to develop detailed designs (up to RIBA Stage 3/4)
- Apply for necessary statutory approvals including Listed Building Consent, Planning Permission and Building Warrant;
- Development of the operational structure and further research on potential revenue streams;
- Business plan to be prepared to ascertain the most efficient and lowest risk model of operating the building, and to develop more detailed market research;
- Progression to RIBA Stage 4/5, Tender action and appointment of main contractor for the Construction phase of the project;
- Discussions with key stakeholders to determine the extent, curation and management of the heritage display element;
- Development of a communication strategy to engage with and update the community on the progress of the project including potential community outreach projects to embed the project in the community.

Regular project reviews and milestones will require to be identified to monitor project progress, update key stakeholders and funders, and ensure the preferred option continues to be deliverable.

13.4 Project Development Programme

The following indicative programme is proposed, comprising a 6-year project duration:

Project Stage	Date
Approval of Feasibility Study and preferred option recommendation by project stakeholders.	By June 2022
Identification and initial discussion with main capital project funders including expressions of interest where applicable.	July 2022 to September 2022
Preparation and Submission of Development Funding Applications	July 2022 to December 2022
Finalise Project Brief and Appoint Design Team	January 2023 to March 2023
Design Development and Planning / Listed Building Consent Applications (RIBA Stage 3/4)	April 2023 to March 2024
Production Information and Technical Design. Building Warrant application (RIBA Stage 4)	October 2023 to September 2024
Bidding / Tender period and Tender Assessment	October 2024 to March 2025
Client Approval and Contractor Appointment	March 2025
Preparation and Submission of Major Funders Grant Applications	October 2022 to December 2024
Identification, Preparation and Submission of other Funding Applications	January 2024 to March 2025
Development of Community Share Issue and Public Fundraising Appeal	January 2024 to March 2025
Contractor Mobilisation and Site Start	April 2025
Construction Phase	April 2025 to September 2027
Project Site Completion	September 2027
Client Fit Out Period	October 2027 to March 2028
Grand Opening	April 2028

13.5 Recommendations

Based on the research carried out, exploration of potential use options, development of short-listed layouts, assessment of the financial viability and the potential for a sustainable development to be delivered as outlined in the previous sections of this study, the following recommendations are offered:

- That a single use “Museum” for Custom House is not a sustainable option for SHBT to deliver;
- That the preferred option for the Custom House development will be the delivery of a mixed-use community and creative hub. (Option 4)
- That the building will incorporate an accessible display of heritage artefacts relating to the history of Leith. This permanent heritage display element will be developed with key partners, such as the City of Edinburgh Council’s Museum & Galleries service to ensure a high standard of interpretation and curation;
- That the building must be developed with the potential to generate sufficient income to operate, manage and maintain Custom House to a high standard;
- That issues related to how the building addresses climate change, energy efficiency and a drive towards “net zero” will be central to the wider development and future operation of Custom House with the aim to respect and compliment the historic fabric of the building and be an exemplar for the future redevelopment of heritage assets by SHBT and others;
- That further assessment is carried out during the next development stage with regards the potential phasing of the development project, targeting the main Custom House building as a first phase, with other areas following on in due course to complete the preferred option layout. The impact on overall development costs if the project was to be phased, timescales to deliver a fully redeveloped Custom House & Cruiser Store, and the financial sustainability of the buildings operational model in the short, medium and long term would need to be explored in detail.
- That Option 1 – the enhanced existing use, is developed as a “back up” option, addressing some, but not all of the key issues facing the building. This option may also need to be phased to fit the available external funding.

Appendix 3 – Indicative Programme for Option 4

The following indicative programme is proposed for the development of Custom House Leith as a Community and Creative Hub (Option 4), comprising a 6-year project duration:

Project Stage	Date
Approval of Feasibility Study and preferred option recommendation by project stakeholders.	By June 2022
Identification and initial discussion with main capital project funders including expressions of interest where applicable.	July 2022 to September 2022
Preparation and Submission of Development Funding Applications	July 2022 to December 2022
Finalise Project Brief and Appoint Design Team	January 2023 to March 2023
Design Development and Planning / Listed Building Consent Applications (RIBA Stage 3/4)	April 2023 to March 2024
Production Information and Technical Design. Building Warrant application (RIBA Stage 4)	October 2023 to September 2024
Bidding / Tender period and Tender Assessment	October 2024 to March 2025
Client Approval and Contractor Appointment	March 2025
Preparation and Submission of Major Funders Grant Applications	October 2022 to December 2024
Identification, Preparation and Submission of other Funding Applications	January 2024 to March 2025
Development of Community Share Issue and Public Fundraising Appeal	January 2024 to March 2025
Contractor Mobilisation and Site Start	April 2025
Construction Phase	April 2025 to September 2027
Project Site Completion	September 2027
Client Fit Out Period	October 2027 to March 2028
Opening	April 2028