

Scottish Enterprise and Flamingo Land – the scandal deepens

Description

Scottish Enterprise's financial support for Flamingo Land

Following the revelation from Jackie Baillie, the local Labour MSP, that Scottish Enterprise had valued the enormous West Riverside Site in Balloch at a paltry £200k, the Greens have discovered that Scottish Enterprise have been giving further help to Flamingo Land by paying for site investigations.

To date, the total costs for the development of this project at West Riverside are split into two separate amounts outlined below:

- **Project Initiation** – These costs include engineering reports, property agent fees, marketing collateral, signage. The total initiation costs to date are £44,694.
- **Project Development** – SE and the preferred private sector developer at West Riverside have entered into an exclusivity agreement over the site. This allows the developer to undertake a number of site investigations in order to comply with the planning process. To date, SE has made contributions towards site investigation costs totalling £71,855. This contribution will secure to SE all intellectual property from the site investigations.

The total expenditure to progress the Iconic Leisure project at West Riverside is £116,549.

(Response from Scottish Enterprise 1st November to FOI request from Green Party)

The £44,694 project initiation costs could have paid for a full time community development worker for a year, which could have enabled people in the local community to develop an alternative set of proposals for the site. The more obvious scandal, however, is that Scottish Enterprises is not only selling the Riverside Site on the cheap, they are effectively providing financial support to Flamingo Land to do so.

Scottish Enterprise's defence of its £71,855 expenditure is that it will secure to SE all intellectual property from the site investigations. Why would they need to secure these rights when they have said their intention to sell the site to Flamingo Land as the preferred bidder? That seems a lot of money to insure against the sale falling through though the good side is that having secured the intellectual property rights there is no reason now why Scottish Enterprise should not make ALL site investigation documents publicly available.

Indeed its arguable that Scottish Enterprise could have secured the intellectual property rights from any site investigations as part of the bidding process for the site. This is because the Development Brief ([see here](#)) for the Riverside Site, which I obtained through FOI back in 2016, contained specific provisions for how the cost of site investigations would be met:

â??In the circumstances SE requires any submission to specify a provisional site price on the assumption that there are no extraordinary costs associated with flooding risk, ground conditions or the capacity of local infrastructure. In due course this provisional price will be adjusted to take into account the findings of the detailed design/engineering via the following mechanism:

The provisional site price will be adjusted to reflect the extraordinary costs associated with the development subject to a minimum of open market value as determined by an independent valuer.

In the event the qualifying extraordinary costs exceed the difference between the provisional site price and open market value then SE will consider carrying out enabling works to the land prior to possession by the developer. The amount and type of works will be subject to approval by SE. Approval will only be sought if the SE investment is shown to meet the appropriate criteria for public sector investment in the site, including the following:

i?. the investment by SE must be necessary for the achievement of the development as demonstrated by a financial appraisal

i?. The post works condition of the site is taken into account when determining the sale price (based on open market value).

i?. the economic impacts of the development must be sufficient to justify the investmentâ?•

What the first part of this means is that the cost of any site investigations by the preferred bidder would be deducted from their offer price. Instead of securing intellectual property rights up front as part of the preferred bidder process, Scottish Enterprise appears to be using its omission as an excuse to pay Flamingo Land Â£71,855 for the costs of site investigations. Under the preferred bidder process and assuming that Flamingo Land offered cÂ£200k for the site, which Scottish Enterprise told Jackie Baillie was its value, no financial contribution should have kicked in until this amount was spent. Its not clear that Flamingo Land has spent anything like this amount.

The payment therefore appears to contravene the criteria set out in the second part of extract above, e.g that the investment would be *â??necessary for the achievement of the developmentâ?•*. I have submitted a further FOI to Scottish Enterprise to ascertain whether they have followed their procedures in this case.

I suspect they havenâ??t and that they have been able to circumvent their own procedures by submitting a JOINT planning application for the site with Flamingo Land. Why Scottish Enterprise would do this has always appeared strange. They only own the West Riverside part of the site so why join Flamingo Land as joint applicant for the Woodbank House part of development proposal? This potentially exposes them to additional liabilities should, for example, the development be rejected. Why too do this when their sister body, Highlands and Islands Enterprise, makes a point of NOT being part of any of the Planning Applications at Cairn Gorm leaving these to Natural Retreats even though it does own all the land? It looks as though by becoming joint applicant Scottish Enterprise can *â??legitimatelyâ?•* pay towards Flamingo Landâ??s development costs without breaching its own procedures.

Whatever the detailed answers to these questions, the underlying issue is that despite Flamingo Land having bags of money and being offered the site on the cheap, Scottish Enterprise is still providing them with financial assistance. What a contrast to their failure to provide assistance to the local community.

The operational costs of maintaining the Riverside Site

The first part of Scottish Enterprise response to the Greens was about the costs of maintaining the Riverside site:

“Upkeep and maintenance of the site at West Riverside, Balloch.

We have provided costs below which relate to the site at West Riverside including land immediately to the west of the River Leven, Pier Road, Drumkinnon Woods and Drumkinnon Bay. For the avoidance of doubt, costs do not include the Duncan Mills Slipway or associated car parks immediately to the south of Loch Lomond as these are maintained by Loch Lomond & the Trossachs National Park Authority (LLTNPA).

The costs are associated with the upkeep and maintenance of the grounds at West Riverside, namely Landscaping, Health & Safety works, insurance, repairs, waste removal, gritting, electricity and drainage works.

The spend has been split into two columns. The first shows Colliers, SE’s Portfolio Property managers expenditure at West Riverside since March 2005. The second column shows the expenditure of Saltire Property Management who are the managing agent at Loch Lomond Shores. Saltire’s expenditure began in March 2014 when part of Drumkinnon Woods (at Ben Lomond Way) and Drumkinnon Bay was managed by LLS instead of Scottish Enterprise (SE).

Expenditure on the upkeep and maintenance at West Riverside varies from year to year (which is normal for property management) with an increase in FY11/12 due to road resurfacing works at Pier Road.

West Riverside Spend Summary		
FY	Colliers Spend	Saltire Spend
05/06	£4,360.00	
06/07	£10,850.00	
07/08	£2,000.00	
08/09	£9,100.00	
09/10	£30,785.35	
10/11	£40,706.05	
11/12	£89,731.84	
12/13	£36,536.09	
13/14	£67,730.77	
14/15	£17,723.64	5,000.00
15/16	£16,507.90	5,000.00
16/17	£19,361.46	5,000.00
17/18	£12,106.84	5,000.00
Total	£357,499.94	£20,000.00
	Cumulative Total	£377,499.94

West Riverside since March 2005, is £377,500.

If you remove the cost of the Per Rd resurfacing away

and I have argued you could remove one of roads from site (see here) SE is spending only £23k a year in site maintenance. This is not an insuperable obstacle to community management and community buyout particularly if, say, the Station Square was developed and the local community

derived some income from that.

Given this, why has Scottish Enterprise been supporting a company from England which is run by a very rich Scot rather than the local community?

What's happening with the Planning Application?

I have been informed that, faced with c35,000 objections to the Riverside and Woodbank House Planning Application, the Loch Lomond and Trossachs National Park Authority is likely to ask Scottish Enterprise and Flamingo Land to submit a revised application. I had been wondering what the LLTNPA would do faced with a record number objections to a planning application and this, if true, makes sense. The LLTNPA, who agreed in its National Park Partnership Plan to deliver Scottish Enterprise's proposals within the next five years, needs to find a way out of this crisis which challenges the very legitimacy of our planning system. By rejecting the current application and asking Scottish Enterprise and Flamingo Land to submit a revised application, the LLTNPA can claim to have listened. It can then try and rush through a revised application to meet its Scottish Government targets.

What's more I understand that, after weeks of silence, the LLTNPA may be planning to hold a public meeting about the Planning Application. This may be open to people who have lodged objections. That information prompted me to submit my own objection this week ([see here](#)). In it, I have listed all the LLTNPA policies which would be breached if the current Planning Application goes ahead (I will consider this further in another post). What is also scandalous, given the many aspects of the proposal which are contrary to its policies, is that the LLTNPA has not asked Scottish Enterprise and Flamingo Land to revise their application up till now.

What needs to happen?

This post has shown how Scottish Enterprise has been helping profit making businesses before the local community or other people with an interest in the area. In these circumstances, if its true that the LLTNPA is asking them to submit a revised Planning Application, that does not go nearly far enough. Both the LLTNPA and Scottish Enterprise need to go back to the drawing board and consider how they could help and facility the local community, working with other stakeholders in the National Park, to develop an alternative plan for West Riverside. The resources are there to do so ([see here](#)).

The current Planning Application for Planning Permission in principle across the two sites should be abandoned. Woodbank House and the Riverside Site should be treated separately. The National Park should be providing an overview that ensures that what happens in one area does not undermine what might happen in the other and is compatible with their statutory objectives. None of this would prevent Flamingo Land pursuing its proposals for the Woodbank House part of the site which it does own.

[Author's note. There are now a number of people/organisations sharing information on the Flamingo Land Development (like at Cairn Gorm) including, I am pleased to say, political parties/politicians. I have been contributing to this and, for this post, am very grateful to the Greens for sharing the information they have obtained with parkswatch].

Category

1. Loch Lomond and Trossachs

Tags

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2. HIE
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