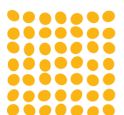


Balerno Police Station
A Vision for Community Ownership



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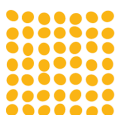
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Balerno Police Station : A Vision for Community Ownership

1. Background and Introduction

Balerno Village Trust was established in 2003, incorporated in 2010 and obtained charitable status in 2012. The trust works to *“Improve and regenerate the physical, social, cultural and economic life of the community, and advance community development, by encouraging the active participation of individuals and groups”*.

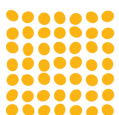
While the village is technically within the City of Edinburgh Council area, our location as the last village means that while we are technically part of the city, our village has many similarities with rural communities and is impacted by transport challenges and community isolation. There is also concern from the community that as the village grows, local services and infrastructure are not keeping up with the increased population.

As a result, it is vital that we retain public buildings in Balerno for community benefit, to provide essential services in the village.

2. The track record of Balerno Village Trust

Since its inception Balerno Village Trust (BVT) has successfully:

- Set up a not-for-profit hydro electric power company, Harlaw Hydro (HH), which generates electricity at the nearby Threipmuir reservoir. BVT appoints 3 directors to the board and as a social enterprise HH passes net profits to BVT (£110k in 2024/25). This gives BVT a substantial, reliable and ongoing income.
- Set up, pump primed and spun off a successful music festival, the Balerno Music Festival.
- Taken a lease on the City of Edinburgh Council (CEC) owned community centre, taking responsibility for managing bookings in the aftermath of Covid. In addition BVT is managing an ongoing renewable energy upgrade to the centre.
- Collaborated with the local Rotary Club to set up the ‘Pentlands Community Chest’. A fund which provides small grants(<£600) to local community groups. This year beneficiaries have included Scout groups, a dementia cafe project, riding for the disabled, the local Children’s Gala, two Pipe & Drum bands, the Men’s Shed, a food bank and several other groups.
- Managed a thriving and growing monthly farmers market on Main Street, very close to the Police station site.
- Managed a number of gardening projects (Friends of Main Street, Melleny community gardening and Harlaw remediation), which collectively make Balerno a cheerier place to live, work in or visit and create many opportunities for volunteering, increasing community cohesion.
- Extended & modernised a children’s play park next to the village’s Primary school.
- Run an annual ‘scarecrow’ competition. A low cost exercise that also generates community engagement and cohesion..



3. Results of Community Consultation

BVT ran a successful community survey in September 2023, attracting 201 responses (88% living in Balerno and 10% living within 3 miles of Balerno). The survey showed strong support for the Police Station to be retained for community benefit.

On the basis of this consultation, BVT submitted an Asset Transfer Request in March 2024 (validated 25 June 2024) to ensure the site was not lost as a community asset through sale on the open market. Stage 1 funding from the Scottish Land Fund was secured in October 2024, enabling us to appoint a consultancy team of Community Enterprise and EALA Impacts CIC.

To date the consultancy team has:

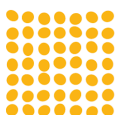
- Mapped other community assets and local services in the village.
- Conducted 8 interviews with community organisations with an interest in the site.
- Produced sketch designs showing adaption of the building for community use, and initial cost estimates. A 'Building Passport' has also been produced, outlining the current condition of the property and work needed to bring it back into use.
- Gathered further feedback from the community at Balerno Farmers Market on 9 November 2024, engaging around 200 people (total attendance at the Market was 950).

A wider community survey will be launched w/c 18 November; with an open community meeting scheduled for 27 November. Further interviews with potential partner organisations will take place over this period also.

Business planning will take place alongside the consultations, including market research, financial viability testing, a funding strategy and appraisal of governance and management options.

This will provide the evidence to support a Stage 2 application to the Scottish Land Fund early in the new year, in order to secure the funding for the purchase. SLF will fund up to 95% of the market value of the property, and we will make an additional contribution from our reserves to cover the remainder.

We have commissioned DM Hall to carry out a market valuation of the property (this needs to be done within 6 months of the application to SLF, hence the deliberate delay in obtaining this).



4. The Need and Gap in the Area

It is worth noting that in the last 25 years the population of Balerno has grown substantially, but that 'community space' has remained static. Current facilities frequently receive booking enquiries which have to be turned away for lack of space.

Support for community ownership:

The research has consistently shown strong support for community ownership of the Police Station site.

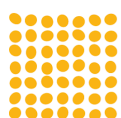
The 2023 survey found 69% strongly agreed and 20% agreed that the building should be "retained/redeveloped for community benefit" (so a total of 89% in favour). Feedback at the market stall in November 2024 and stakeholder interviews has also been supportive.

Support and demand for services to be hosted at the Police Station site:

A wide range of suggestions were received through the 2023 survey and the research has focussed on exploring these further, in order to present a shortlist of viable options back to the community for feedback.

- **Medical centre; or bank / post office:** These were the top rated suggestions from the 2023 survey. Agreement could not be reached with the local healthcare provider to provide a satellite GP practice; and a mobile banking branch now visits the Community Centre. This feedback nevertheless provides evidence of support for services to be provided locally in the village.
- **Childcare:** Received some support in the 2023 survey. Research in 2024 has confirmed that nursery providers have waiting lists until 2026; and after school care have waiting lists until 2029. Survey respondents and stakeholders reported that lack of childcare prevents parents returning to work. Two local providers expressed interest in renting space at the Police Station site.
- **Community spaces for hire:** This was the third highest rated suggestion from the 2023 survey. Analysis of other community spaces and interviews with stakeholders has identified that while Balerno has several larger venues for hire, there is a lack of space for smaller groups (10-12 people) or one to one meeting space.
- **Youth space:** The fourth highest rated suggestion from the 2023 survey. While Balerno has a range of structured activities for young people (e.g. through the Scouts and Currie Chieftains) there is no dedicated youth space; and there have been some reports of anti-social behaviour from young people. It is likely that this would require a youth organisation to deliver.
- **Business hub:** Balerno is densely populated with entrepreneurs, home workers and small businesses but is very short of office space. There appears to be a demand for offices for small businesses.

Other suggestions from the survey, such as a café /restaurant or a Gym, are not being pursued as these would be likely to compete or duplicate with existing local businesses.



5. The Concept

The concept is for a multifunctional space; with emphasis on childcare and underpinned by a strong anchor tenant.

The intended services and facilities will be:

- **Nursery:** Space at the site will be let to a local nursery provider to provide nursery spaces for children aged 2 – 5. The nursery provider is a long-established local business in Balerno and wishes to lease space at the Police Station to increase the number of places they can offer. The provider has expressed interest in leasing the whole space, but we want to provide a wider range of services to the community than solely childcare; as well as mitigate the risk of reliance on a single tenant.
- **Smaller community spaces for hire:** The Police Station will provide a different kind of space to existing venues: spaces for smaller groups, one to one meetings, and space for small businesses.

The space will be flexible and used by community groups and businesses seeking comfortable meeting room or office space; but there is some support for a loose ‘theme’ of supporting health and wellbeing. We will not provide physiotherapy or counselling services (which are delivered elsewhere in Balerno), but will aim to host drop in services from third sector support organisations – including those working with young people. The space can be a hub for information, signposting, and outreach in the village.

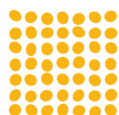
6. Partners and Anchor Tenant

A local nursery provider is willing to take a lease of space at the site (operating as an anchor tenant). There is also interest in leasing space from a local after school care provider. Our preference at this stage is to reach agreement with the nursery, who would use the space year round (rather than just during term time).

This is likely to be a lease of around half of the building. Initial sketch designs show how the building could be subdivided to create a self contained nursery area; alongside other community use.

Other stakeholder interviewees are open to working collaboratively – in particular Currie Chieftains, where there is potential to cross refer participants between services at the Club and those being delivered at the Police Station.

Further partnership opportunities are being explored – including a suggestion of interest from the local Men’s Shed; and from local business owners which have expressed interest in letting space.



7. Financial Viability of an ongoing operation in the Police Station building

An initial financial model has been produced to show whether the building can operate sustainably.

Income comes from 4 sources.

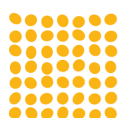
1. Rent from the anchor tenant (nursery) estimated at £19,200 p.a.
2. Five lets to small businesses for use of office space at an average of £450 pcm in a mix of shared & private office space. This would create income of £27k p.a. It might also be possible to accommodate an hourly charge option as well.
3. Charges for community use, based on 5 nights per week for two hours at £14 per hour, as per current community centre model. This would raise £7,140 p.a.. There are sufficient enquiries that this level of utilisation could be reached fairly quickly (say within 2 years of operations). We currently make no assumption about weekend use, however this is obviously conservative.
4. Donations and fundraising amounting to an assumed £5.4k p.a., based on our experience of operating the community centre.

Total expenditure is £49,506, of which the largest contribution is £10,000 p.a. towards repair and maintenance, and £18,000 towards a building costs reserve fund. This is saving towards longer term repairs, and in the event trading was more challenging, could potentially be reduced slightly.

Allowance is made for a caretaker at 0.2 FTE and cleaner at the Scottish Living Wage.

This generates a small surplus of £9,234 p.a. demonstrating that the operation is not just financially feasible but is also robust to shortfalls or surprises. It would be expected that from start up the level of income performance described here could probably be reached within two years, and certainly within three years. As chapter 9 describes, BVT has the resources to manage this.

Income	
Anchor	£19,200
Businesses	£27,000
Community	£7,140
Donations and Fundraising	£5,400
Total	£58,740
% trading	92%
Expenditure	£49,506
Surplus/deficit	£9,234



9. Financial Strength of BVT and its ability to take on an additional Community Property

The current 5-year financial projection for BVT is disclosed in Appendix 3. The projection shared is a 'as is' projection, that is to say it does not include any investment, expenditure or future income as a result of any potential acquisition, including of the former Police Station. It specifically does not include the financial projection described above in Chapter 7.

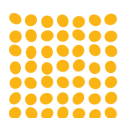
The projection demonstrates that courtesy of the income from our social enterprise, Harlaw Hydro (HH), BVT is in a position to make a significant asset acquisition in the near term, with close to £0.25m in liquid resources by next financial year end. The potential of a combination of match funding from the Scottish Land Fund and our own resources means that BVT is well able to acquire the former Police Station and reshape it into a resource for the community.

There are not many uncertain variables in this financial projection and our confidence in the outcome for the projected year ended March 2025 is high.

The major income for BVT is from HH, the £110k in 2023/4 has already been received and banked. The projected £145k for 2024/25 has been reviewed by the Directors of HH at their November 2024 meeting and is only likely to change by the extent to which rain or snow on the Pentland mountains (which feed Threipmuir reservoir) alter the quantity of electricity which can be generated will change between November 2024 and March 2025. The price at which HH sells to the grid is subject to a contract which fixes this rate until October 2025.

Therefore there is a very high degree of confidence around the £145k income number in the forecasted BVT financial year to March 2026.

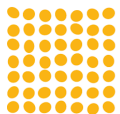
It is clear that BVT is at an inflection point, with the liquid resources available to re-shape an appropriate community asset to meet Balerno's needs.



Appendix 1 – initial financial model

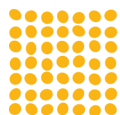
Balerno Police Station - Initial Financial Model

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan-24	Feb	Mar	Year	
Days in month	30	31	30	31	31	30	31	30	31	30	31	28	31	365
Weeks in month	4	4	5	4	5	4	4	5	3	4	4	5	51	
Trading income														
Hire from key partners														
Anchor tenant (nursery)	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£19,200	
Total income	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£19,200	
Direct costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Gross profit:	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£19,200	
Space hire														
Business hire	£2,250	£2,250	£2,250	£2,250	£2,250	£2,250	£2,250	£2,250	£2,250	£2,250	£2,250	£2,250	£27,000	
Community Groups	£560	£560	£700	£560	£700	£560	£560	£700	£420	£560	£560	£700	£7,140	
Total income	£2,810	£2,810	£2,950	£2,810	£2,950	£2,810	£2,810	£2,950	£2,670	£2,810	£2,810	£2,950	£34,140	
Direct costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Gross profit:	£2,810	£2,810	£2,950	£2,810	£2,950	£2,810	£2,810	£2,950	£2,670	£2,810	£2,810	£2,950	£34,140	
Total trading income	£4,410	£4,410	£4,550	£4,410	£4,550	£4,410	£4,410	£4,550	£4,270	£4,410	£4,410	£4,550	£53,340	
Donations and Funding														
Donations / Fundraising	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£5,400	
Revenue Funding	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Total fundraising and donations incor	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£5,400	
Total income	£4,860	£4,860	£5,000	£4,860	£5,000	£4,860	£4,860	£5,000	£4,720	£4,860	£4,860	£5,000	£58,740	
EXPENDITURE														
Salaries	£263	£263	£263	£263	£263	£263	£263	£263	£263	£263	£263	£263	£3,150	
Wages - hourly sessional staff	£288	£288	£360	£288	£360	£288	£288	£360	£216	£288	£288	£360	£3,672	
Rates	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Water rates	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£1,000	
Light & heat	£667	£667	£667	£667	£667	£667	£667	£667	£667	£667	£667	£667	£8,000	
Repair & maintenance	£833	£833	£833	£833	£833	£833	£833	£833	£833	£833	£833	£833	£10,000	
Building costs reserve fund	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£18,000	
Insurance	£2,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£2,000	
Accountancy	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Licenses	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Security alarm and other contracts	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£300	
Broadband / phone	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£75	£900	
Printing, postage, stationery etc	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£300	
Marketing	£80	£80	£80	£80	£80	£80	£80	£80	£80	£80	£80	£80	£960	
Website hosting	£12	£12	£12	£12	£12	£12	£12	£12	£12	£12	£12	£12	£144	
Cleaning materials	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£120	
Refuse collection	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£360	
Sundry / Misc.	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600	
Total expenses	£5,941	£3,941	£4,013	£3,941	£4,013	£3,941	£3,941	£4,013	£3,869	£3,941	£3,941	£4,013	£49,506	
Profit or loss	£-1,081	£919	£987	£919	£987	£919	£919	£987	£851	£919	£919	£987	£9,234	



Appendix 2 - Key Personnel (Trustee's and staff) Bio's

<p>Emma Galloway (Chair) Emma is an experienced social enterprise developer, former Chief Executive of the Grassmarket Community Project, and Chair and founder of Edinburgh Social Enterprise Network. Emma works as a freelance consultant assisting organisations with the development of their Social Enterprises and Charities.</p>	<p>Karen Scott (Secretary) Karen has been retired for 5 years after a career in IT. She is a director of Harlaw Hydro. Her family is deeply involved in the Balerno Community, her youngest son is involved with Dean Park Nursery. Karen has previously volunteered with both the Balerno High School PTA and Beaver/Cub groups.</p>
<p>Annie Lacey Annie is a retired teacher of languages, literature and art. She teaches budding artists via community education. A keen gardener Annie is involved in the various BVT gardening projects.</p>	<p>Daavid Kaye Daavid has a background in community education and development and also housing co-operatives, recently retired Daavid is an active volunteer at the vegetable garden leased to BVT within NTS Malleny garden.</p>
<p>David Spacey David is a part time Senior Advisor to PwC, the UK's largest professional services firm. He usually works with private equity clients. His last line role in industry was as Chief Procurement Officer of Heineken N.V.. David is also a qualified accountant.</p>	<p>Val Reid (Administrator) Val is BVT's only employee (not a Trustee) and started her career in the beer industry before migrating to the whisky trade. She has worked across marketing, business development and new product development functions. More recently she has been an Adult Education tutor in computing and co-founded a local food bank.</p>



Appendix 3 - Current Long Term Financial Outlook for BVT

Balerno Village Trust									
5 Year Financial Outlook									
		Historic Year to :			Projected Year to:	Forecast Year to:			
		31/3/2022	31/3/2023	31/3/2024	31/3/2025	31/3/2026	31/3/2027	31/3/2028	31/3/2029
	£000's								
Profit & Loss									
Income									
HH Income		30.0	30.0	60.0	110.0	145.0	90.0	65.0	70.0
Other grants & donations		1.0	5.5	3.6	3.0	3.0	3.0	3.0	3.0
Charitable activities		11.7	23.6	21.1	23.0	23.0	23.7	24.4	25.1
Investments		0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Total Income		42.7	59.1	84.8	136.1	171.1	116.7	92.4	98.1
Expenditure									
Charitable Activities		35.5	34.9	45.3	52.0	52.0	53.6	55.2	56.8
Depreciation		0.0	2.6	5.3	5.3	5.3	5.3	5.3	5.3
Total Expenditure		35.5	37.5	50.7	57.3	57.3	58.9	60.5	62.2
Net Income		7.3	21.6	34.1	78.7	113.7	57.8	31.9	36.0
Balance Sheet									
Fixed Assets									
Fixed Assets		0.0	22.9	45.1	86.0	80.7	75.4	70.0	64.7
Current Assets									
Investments		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Debtors		0.5	1.5	3.4	5.2	6.6	4.5	3.5	3.8
Cash at bank		68.6	65.1	87.5	132.6	250.3	315.7	354.0	395.2
Total Current Assets		70.5	68.1	92.5	139.3	258.4	321.6	359.0	400.5
Liabilities									
Creditors due <1yr		(2.2)	(1.0)	(13.5)	(4.4)	(4.4)	(4.5)	(4.7)	(4.8)
Net Current Assets		68.3	67.1	79.0	134.9	254.0	317.1	354.3	395.6
Net Assets		68.3	90.0	124.1	220.9	334.7	392.5	424.4	460.4
Of which:									
Unrestricted fund		32.2	34.6	77.6	212.4				
Designated fund		32.3	47.1	42.7	4.7				
Restricted fund		3.8	8.3	3.8	3.8				
Total Funds		68.3	90.0	124.1	220.9				
Cash Flow									
Net Income		7.3	21.6	34.1	78.7	113.7	57.8	31.9	36.0
Depreciation		0.0	2.6	5.3	5.3	5.3	5.3	5.3	5.3
Change in Debtors		(0.5)	(1.0)	(2.4)	(1.8)	(1.3)	2.1	0.9	(0.2)
Change in Creditors		1.2	(1.2)	12.5	9.1	0.0	0.1	0.1	0.1
Net Cash from Operations		8.0	22.0	49.5	91.4	117.7	65.3	38.3	41.2
Capital Expenditure		0.0	(25.5)	(27.5)	(46.3)				
Net Cash Flow		8.0	(3.5)	22.0	45.1	117.7	65.3	38.3	41.2

