

Present (GDCC): Neil Whyte (NW) – Minutes, Seonaid Barker (SB)

Present (AIT/HGTT): Jim Muirhead (JM), Mark Nicholas (MN), Henny Goffin (HG)

In Attendance: Robert Hogg (RH) – Chair

Apologies (GDCC): Cath McGill (CM)

1 Welcome and apologies

RH opened the meeting, and led a quick round-table to ensure everyone was acquainted. JM and MN stated they were both involved with the Trusts in a personal capacity and not by virtue of their current offices as Midlothian Councillor and Parish Minister. CM sent apologies, recusing herself as she believes she has a conflict of interest as a previous Trustee with AIT/HGTT and as the current Chair of GDCC.

It was agreed that minutes would be taken, sent to those present for approval and then published by GDCC. As some of the discussion may involve details of a commercial agreement or other sensitive information, it was acknowledged that it may not be appropriate for such details to be publicly disclosed.

2 Re-cap on type of feedback received from the community

JM provided a statement, intended to bring the meeting to a common understanding of the current situation. HGTT accepts that decisions that have made have not been unanimous.

HGTT owns the small building that currently contains the Bakery. The same tenant has been in place for 11 years ago and has recently signed another 10-year lease. The Bakery has provided steady rental income.

HGTT also own the Hunterfield Tavern (known locally as the Goth), and the tenancy of this building has been more problematic. The public house has suffered for many years with a poor reputation, and recently has had four different tenants. The first tenant ran the traditional bar for many years, and in 2008 requested permission to make changes internally. Halfway through the refurbishment, unfortunately that tenant passed away. That placed HGTT in a difficult place, as the building inside was completely ripped out and unfinished. Fortunately, the previous tenant's son and his wife took over tenancy and completed the renovation. They also ran the business for a while, until tragically the son also passed away.

At this time, the vacant tenancy was advertised, and HGTT received two applicants. The first applicant was local, popular in the village and had been running a successful a café in Newbyres Hall; whereas the second applicant was more experienced but not local. HGTT decided to grant the local person the tenancy, but it quickly became clear there was too big a step up from café to full public house and restaurant. So, HGTT went back to the second applicant who already had taken a difficult pub in Dalkeith and turned it around and took them on instead. However, after one year or so, that latest tenant came back and said that they were unable to m make it work and HGTT should take a step back and consider how to make a success of the building. That tenant suggested a change in direction and introduced the trust to Mr Morelli who was interested in taking over the remainder of the lease to operate an Italian restaurant.

HGTT accept that the stand-alone Italian restaurant did not comply with their constitution, and that was a mistake. Legal opinion was more recently sought to clarify, and it was established that there was a requirement for some sort of bar/public house and that the test would be the ability to come in off the street and purchase a drink without ordering a meal, which wasn't the case with the initial offering. Planning was then sought for restaurant and takeaway. HGTT took a view that the widening the portfolio of businesses that could be offered from the building would be useful. It has been made clear to the tenant that the takeaway element must be part of the main business, and cannot operate independently from it.

The current tenant has struggled as well. In the past, HGTT has given periods that were rent-free to help the tenants get started and to ease cash-flow in the initial months. It did take the current tenant a while to get going and, as a result, there is a significant debt that has been built-up through rent arrears. Things are improving, however, and in the past few years the tenant has been paying the rent, even when the business has not been open. It should be noted that during the lockdown, in-line with other landlords, HGTT did not collect rent from April – September.

HGTT are aware that suggestions have been made to offer the tenancy to someone else, and there has been a total of three parties who have expressed an interest. However, since the current refurbishment is still underway and in-line with HGTT's view that the changes to the building to expand the business that can operate within, HGTT took a view that it made more sense to stay with the existing tenant to complete the refurbishment, this would ensure that should the tenant fail to meet the agreements entered into with the Trust we would have a building that was in a suitable condition to be let to another tenant.

The current tenant is aware that if he gets the building up and running, opens it and makes rent payments between now and the expiry of the current 10-year lease in 2023 (including full repayment of the outstanding debt) then HGTT "would be minded" to offer him the next 10-year lease for the building. JM reported that the rent collected from the Tavern was £6,892 in 2018/19 and £7,812 in 2019/20.

SB gave a brief introduction as to why GDCC are involved. GDCC are not here to debate choice of tenant, nor to re-hash previous decisions, but rather to discuss improvements in the engagement between HGTT the community. It appears to us that HGTT has two roles: (1) custodian of the Tavern and Bakery buildings, and (2) collector of rent from the businesses within those buildings. The deterioration of the external appearance of the Tavern building and a retrospective planning application were giving members of the community the impression that HGTT had lost control of the Tavern building, and the lack of published accounts maybe suggest rent collection was not happening either.

NW added that there was a lot of email into the GDCC email inbox asking about what was happening to the building, which coincided with the visible exterior changes. In lieu of proactive communication from HGTT on what was happening to the building, the community were attempting to "fill-in the blanks".

HG agreed that the main cause of the ongoing issues is communication. MN made the point that there had been an influx of new Trustees which had created a conflict situation on the Trusts, and that in that scenario effective external communication output was all but impossible. This situation has stabilised, though AIT/HGTT currently have vacancies for two Trustees.

3 Discussion on any open issues from July questions from GDCC to HGTT

This agenda item was proposed a while ago, and there are no outstanding questions. NW made a comment that the question around whether HGTT had sought advice from the Dean Tavern Trust was answered with a single word "No". That could be taken as an example of HGTT not willing to seek external advice (another criticism that had been received into the GDCC mailbox).

MN contrasted the setup of the Hunterfield Tavern (where the building is rented out and HGTT is essentially hands-off from the business within, with only rent being collected) with that of the Dean Tavern (where a pub manager is employed to run the business on behalf of the Dean Tavern Trust, and all profits from the running of the business is available to the Trust for dispersal), and stated that this meant the two properties were not as comparable as you might first think.

4 The Hunterfield Tavern

SB asked for some details on how HGTT manages compliance in three key areas:

- The Tavern building itself – i.e. protecting the asset
- Contractual – i.e. between HGTT and the tenants
- Organisational – i.e. the running of AIT and HGTT, and the interaction between them

Starting with the first point, SB asked if there were up-to-date plans. JM said these were available now, though there was a delay due to issues the tenant had with the architect. These plans comply with the planning application approved by Midlothian Council. Due to the current restrictions around Covid-19, Building Control are not coming out and inspecting work as quickly as normal. While the tenant is keen to progress with the takeaway portion of the refurbishment, HGTT are not allowing them to proceed until existing work is signed-off.

RH asked if progress could be tracked using planning portal on the Midlothian Council website, but since this is less about the permission aspect and more the compliance to building regulations this progress is not tracked as part of that portal. JM stated that one of the existing Trustees is a retired surveyor and is generally happy with the work being done (though accepting this is not a formal sign-off). There have been slight amendments to the plans around improved ducting for extractor fans etc, and HGTT would want to see electrical and gas safety certification before allowing any part of the building to open.

SB also asked if there were plans available for the interior. JM again stated that these were available, and can be shared. When asked about the smaller main door, as can be seen from the most recent work, JM stated this is a temporary fixture and that a vestibule is being constructed in behind the door, such that you wouldn't open the door straight into the pub/restaurant area.

- **ACTION:** HGTT to share interior plans for the Hunterfield Tavern building with GDCC

MN made the point that compliance with building control, maintenance etc is primarily the responsibility of the tenant. HG said not having a tenant leads to additional financial burden for HGTT, and in particular responsibility for business rates. JM was open and stated that if there was no tenant, HGTT would have been struggling as it does not have financial reserves to call on.

SB asked about assurances of rental collection from this community asset into the future, given the past troubles. What happens after one month missed payment, two months, three months? Without disclosing any confidential information, JM stated that the consequences were clear to the tenant. SB asked if these consequences formed part of the commercial lease agreement. JM said that the lease was clear in this regard. JM also stated that the current tenant had, in the past, already breached the terms of the lease – as was the case with the majority of tenants before him. As such, HGTT could have ended his tenancy on those grounds but made a conscious decision that, on balance, the current tenant represented the best opportunity for completing the refurbishment and building a sustainable business within.

MN also clarified that it is not accurate to describe the Hunterfield Tavern directly as a community asset – it is held in trust on behalf of the community, and the rental income from which is distributed for the benefit of the community. MN also mentioned community feedback on it becoming a community-run pub. SB said that GDCC was not here to debate that today.

NW asked about potential conflict with the HGTT being involved in the business within the Tavern itself. Taking MN's earlier contrast between the Dean (pub manager to run the business on behalf of the Trust) and the Hunterfield Tavern (more a landlord-tenant relationship), is it right that Trustees are involved in decisions around what business should run within the building, accepting that there needs to be oversight to ensure compliance with the constitution? JM and MN felt that this was right because there is a direct link between the success of the business within and the rental opportunity afforded by the building. JM had provided spreadsheet templates to the tenant to allow the tenant to prepare a business plan in a clearer, more 'standard' format, though did not assist the tenant with the creation of the numbers presented.

SB asked about any due diligence carried out to ascertain if a chip shop take-away was the right fit for the location, citing two nearby existing chip shops. Is there a risk that an additional offering into an existing market might reduce footfall into each, and ends up putting three businesses out of business? MN suggested that this wasn't the case when the Kwei Lin opened and the Sea Garden remained in business, and similar with New Wong's and the Orchid on Main Street. The feeling is that a combination of growing population (supply/demand) and competition (quality/value) would balance this out. RH mentioned that the reach of a take-away these days is not limited to the immediate geographic area either.

Addressing the point of the take-away, JM mentioned that one of the issues with the Tavern building as a pub/restaurant offering only was the physical size of the building made it difficult to create an ambience when it wasn't full.

SB asked about the style of cuisine that is likely to be served within the restaurant. JM said it was his understanding that the menu was widening up from existing Italian fare to offer more bistro-style food.

RH asked if it would be possible for members of GDCC to get a site visit? JM stated this was difficult at the moment due to the Covid-19 restrictions which limit the amount of people who can be on-site.. However, as and when restrictions are lifted this can be revisited.

SB asked about the timeline for the refurbishment to complete. JM answered that there is a bit of a delay due to HGTT insistence on building control sign-off in phases, and he was also reluctant to put a date on it due to uncertainty caused by the 5-tier system of Covid-19 restrictions. JM said the restaurant was expected to open end of this month, but that is looking unlikely. However, it will be measured in months, not years.

5 Overview of proposed changes from AIT in community engagement

SB asked about the membership of AIT and HGTT, and the reasoning behind the Trustees being identical between the two. JM stated that the constitutions are such that you are automatically member of both. Given it was the same group of people, meetings of AIT and HGTT happened together. However, AIT/HGTT had a meeting with Midlothian Voluntary Action (MVA), an organisation which supports the voluntary sector in Midlothian, and they suggested that there should be separate meetings between the business aspect (HGTT) and the charity aspect (AIT), which are minuted separately. It would be appropriate to publish the AIT minutes, but maybe not HGTT - or perhaps a public/private version could be considered to protect confidentiality of commercial agreements.

- **ACTION:** HGTT/AIT to consider publishing minutes of meetings, as appropriate

SB asked if there were any plans to split the membership of the Trusts, as there is a community-perceived conflict in the ability of each Trust to hold the other to account. JM stated that the only reason the Trusts are split is for tax purposes, and HG confirmed this is the case. And, therefore, there are no plans to have different Trustees on each (even if that were allowed by the constitutions).

SB asked if there is an AGM every year? MN said that we were thinking of a modern charity setup, rather than the Trust setup as the two are regulated differently. OSCR look over the accounts, but it is not correct to think of the Trusts as a modern charity. JM said the last AGM was in 2018.

NW asked about the timeline for a website for AIT/HGTT, which has been in development for a few months. JM shared that the site had gone live in the past few days, and was available to view at arnistrontrust.org.uk. JM gave a live walkthrough of the site by sharing his screen. The site contains a list of Trustees, information on how to apply for funding from the Trust as well as those groups who have benefited in the past, contact details and copies of the constitution and the recent accounts.

- **ACTION:** NW will share the website via the GDCC Facebook page and other channels

MN commented that the Trustees feeling was that local groups were already aware of the available funding through AIT due to the involvement of the Trustees in the community generally, so it while it wasn't necessarily widely known by the general population the groups that would need to know did know. NW suggested that while that may be true, there was more to the Trusts that just providing funding out. If the ever-growing local community was more aware of the way that the business in the bakery building and the Hunterfield Tavern have a direct impact on the community, that may see these businesses receive more local support.

6 Discussion on future cooperation between our groups

In the context of Trustee vacancies, SB asked if there was any scope for co-option of Community Councillors onto AIT/HGTT. JM responded by highlighting that it was important to realise that, with the exception of HG, the Trustees that are in place now are not there by virtue of holding another post elsewhere. JM stated that a lot has changed since the constitutions were drawn up. For example, there is no Bank of Scotland branch for the Bank Manager to be a Trustee, nor is there an assigned representative from Midlothian Council (JM is there in a personal capacity, his appointment as a Trustee pre-dates his election to the Council). JM emphasised that people must understand that they are there as a group of Trustees. MN said the Trusts need strong leadership and that Trustees should accept that even if a majority decision isn't going your way you need to maintain collective responsibility.

SB asked how GDCC could help promote the need for Trustees, and whether any skillsets were missing. MN said that the 'reach' of GDCC was larger than that of the Trusts, and so using that network would be a useful starting point. JM undertook to identify skill-gaps where additional experience would be of benefit to the existing Trustees.

- **ACTION:** AIT/HGTT to list what skills/backgrounds would be of benefit for new Trustees
- **ACTION:** GDCC to use their communication channels to highlight vacancies for Trustees

7 AOCB

None.

8 Re-cap and next steps

We all agreed to keep looking for ways we could constructively work together, starting with promotion of the new website and the Trustee vacancies.

RH thanked those present for their contributions and the respectful manner that views were swapped. A follow-up meeting will be arranged around March 2021 to discuss progress in all areas.

- **ACTION:** GDCC to arrange another meeting with AIT/HGTT, targeting March 2021

RH closed the meeting at 8.35pm.

List of Abbreviations

AIT	Arniston Improvement Trust
GDCC	Gorebridge & District Community Council
HGTT	Hunterfield Gothenburg Tavern Trust