



The Hill Primary School Project

This document has been prepared to inform our members, and others, of the efforts to obtain the school for the community in line with the Scottish Government's policy of Community Ownership and Right To Buy.

Following our meeting with the then Minister for Communities, Alex Neil MSP, we were encouraged by him to draw up a feasibility study. He said that this was exactly the sort of project he would support if it proved to be sustainable and viable. (December 2011).

Part A. History of the Hill Primary Project

1. Development

Since 2011 the Ericht Trust (the Trust) has been developing a community focused project to convert the Hill Primary School site into a viable and sustainable community hub bringing recreational, leisure and small business opportunities into this iconic building.

2. Community

Full consultation took place with the community comprising:

- A survey
- Focus groups
- Open nights
- Media and local publicity

3. Professional support

The Trust was the recipient of considerable support from local professional firms; some of this work was provided at 'no cost' by the professionals.

- A professional company was retained to produce a viable Business Plan in line with the wishes of the community.
- The site was surveyed and an estimate of repair costs obtained.
- Over the period of the project, detailed drawings and plans were drawn up by a local chartered architect, costings developed by a quantity surveyor and a pre-planning application enquiry approved by Perth & Kinross Council (PKC) and Historic Scotland.
- In addition, engineering reports, environmental reports, legal advice and funding advice was provided by a range of experts.

4. Liaison with PKC

From the outset of the project, the Trust liaised with officers of PKC and took note of the advice given in relation to ensuring the project was not only viable but, importantly, sustainable.

5. Liaison with local councillors

To ensure elected members were fully aware of the project, one of the Trustees met the three local councillors and the Leader of PKC (who lives in Blairgowrie; the Trustee also met members of the Community Council. No opposition to the project or its Business Plan was raised and support was evident.

Meetings took place with local MSPs, who were also supportive.

6. Funding

The Trust was aware from an early stage that the project had a high cost and success would only be achieved with major external funding. As the project plan developed, the Trust met with the Lottery to discuss the plan's financial feasibility. The Lottery considered the overall cost was unlikely to get the necessary funding and the project plan was reviewed and reduced to a viable cost on which to seek funding. It was always envisaged that the Lottery would be the key potential funding source and ownership of the site was a key factor in any future bid.

The Trust was successful in obtaining smaller cash grants from various funding sources to assist the project's development and to allow the employment of expert consultants for funding applications, catering and heritage/museum management. The Trust also obtained a cash grant to fund its bid to purchase the site.

7. Cost

The Trust has spent £60k on this project and the Trustees have committed approximately 3000 hours of voluntary work.

8. Licence

Following discussion with officers from PKC, it was suggested by a PKC officer that the most suitable action would be for the Trust to obtain a licence from PKC to purchase the property at a later date. Whilst extensive work was undertaken (including legal advice), the process did not proceed to completion and PKC failed to progress the 'Heads of Agreement'.

9. Bid

A full and detailed bid was submitted on 10 June 2015 via the Trust's lawyer to JLL which was the Agent for PKC. JLL carried out the assessment of the bids and forwarded its findings to the PKC Property Sub Committee (PSC) for it to make the selection of 'preferred bidder'. Detailed files in support of their "Best evidence and best value criteria" accompanied the bid.

10. Outcome

The bid on behalf of the Trust was unsuccessful and the site was offered to a commercial building company, being the preferred bidder, for commercial housing. Yet the Convener of the Sub Committee went on to say:

"If the offer submitted by Corryard Developments Ltd did not proceed within reasonable timelines as submitted in their offer, The Ericht Trust Ltd be given the opportunity to purchase the site in line with the development timescales of their offer, to the satisfaction of the Head of Planning and Development and the Head of Legal Services".

So the Trust's bid appeared to be capable of being a second best option – notwithstanding PKC's comment that the Trust's Business Plan was not robust?

Part B. Subsequent meeting with the Chief Executive Officer (CEO) of PKC

Following the unsuccessful bid, the Trust sought clarification on the bidding process and why its bid had failed. It was told the Business Plan was not robust. In the light of any satisfactory response from PKC the Trust wrote a letter of complaint to PKC and, after some weeks received a response from the Chief Executive Officer (CEO) of PKC which was factually inaccurate. A meeting later took place between the Trust and the CEO (and another PKC officer) to seek further clarification.

In response to a question on why the Trust's bid failed – it was told:

- The successful bid gave the more assured financial benefit to PKC. The other bidder's finance was assured and a better business plan made.
- The council has a duty to sell council assets to the project that was best judged by the PSC to have the lowest risk and highest return to PKC. The lack of an assured revenue stream for the Trust was the main weakness.

It was quite clear from the terms of the assessments of the bids that a financial return to PKC, at the earliest opportunity, was what PKC considered as best value. There did not appear to be any real consideration of material benefit to the community. This was reinforced by PKC stating the bids were assessed on a commercial basis by their Agents. PKC also said the bids were only assessed by the Agents and PKC officers were not involved.

Given that an officer from PKC had previously complimented the Trust on its Business Plan and that PKC was kept aware of progress by the Trust, for it now to say the Business Case was not robust was concerning.

The Architectural Heritage Fund (AHF) would not give a cash grant to the Trust without the support of PKC for the project. In May 2013 the AHF wrote to PKC stating:

"the Architectural Heritage Fund is delighted that PKC is being supportive of the Trust's project and seeking to find a mutually beneficial arrangement to move the project forward"

Over the four-year period, the Trust commissioned seven surveys: Building Condition; Bat; Topographical; Structural; Measured; Asbestos and Slaters. In addition, it commissioned ten reports/consultations on: Funding; Mechanical & Electrical; Fire Engineering; Acoustic Engineering; Catering; Heritage/Museum; Cinema; Legal; Valuation and social housing. The Trustees of the Trust voluntarily committed around 3000 hours to the project.

- Why had PKC not warned the Trust on the Business Plan at an earlier stage?
- Why did PKC allow the Trust to spend and indeed cause the Trust (valuations and legal fees) to spend large sums of money on this project?
- Why would the Trustees devote such a considerable amount of their personal time if they were aware that PKC did not support the project?
- Why, after the bidding process was decided, did the Convener of the Property Sub Committee say: *'If the offer submitted by Corryard Developments Ltd did not proceed within reasonable timelines as submitted in their offer, The Erich Trust Ltd be given the opportunity to purchase the site in line with the development timescales of their offer, to the satisfaction of the Head of Planning and Development and the Head of Legal Services'*? Income beats Community benefit

PKC knew that as a Community Trust, the Trust would need ownership or a long lease of the site to raise the capital required for renovation and development of the site; yet its sole intention appeared to be the maximum financial return for PKC? PKC and the Trust jointly developed a Heads of Terms

for a 3year Licence to Occupy the Hill Primary site to further plan its development and funding. In the draft document the Trust would be:

- liable for the basic upkeep of the site
- responsible for £5m insurance cover
- able to terminate the Licence with 3 months' notice or by purchase of the site.

'Best value' does not always mean best financial return for the Council; best value can be a long term benefit for the community as suggested in the Community Empowerment Bill.

- PKC has committed £2.5m to develop St John's School in Perth into an arts and cultural hub – why not one for Blairgowrie? The recent Charrette has further underlined the need for Blairgowrie to have a central focus for bringing people here – a museum and arts centre, more attractions along the riverside etc.
- PKC seem to view other towns in Perthshire as simply dormitories. Every forward plan includes more and more houses with no extra infrastructure or facilities for the residents. The centres of the towns, including Perth, are suffering due to a lack of understanding of how they work.

If all decisions come back to how much money PKC can make, without regard to the benefits to the community, why should any community group attempt any building project? Communities should be told from the start that only money counts.

- How is any community group able to develop and attract grant funding for buildings without the support of the local authority?
- The aspirations of the communities are totally different to that of PKC; if real progress is to be made, all should be 'singing from the same sheet'.

The CEO told the Trust that the way forward was through the Local Community Planning Partnership, which was a blend of community groups, elected members and community councils. The key message going forward was that communities were going to have to do more for themselves. The suggestion that more is expected from the community in the future is **derisive**; groups in Blairgowrie have been working on projects for years without support from PKC. It is difficult to see what more the volunteer Trustees of the Ericht Trust could have done!

How do community groups make any progress when their views are usually not sought, and on the occasions when they are, they appear to be completely ignored?

Ian Gordon OBE QPM LL.B (Hons) Chairman

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