

# Sherston old school project

A project plan and design brief for the new  
**Sherston Old School Project** – an amenity  
for the long term benefit of the local community

**July 2008**

# Site History

- Sherston old school site sits at the heart of our historic village
- It became the location for the village school in 1845
- The current school moved to its new premises in 2005 making the present buildings redundant
- The site is currently owned by the Diocese of Bristol – the Secretary of State decides how proceeds from any sale of the old school are divided between Wiltshire Council and the Diocese.



# Project Background

- Immediately after the school was vacated in 2005 the Diocese applied for planning permission to convert the school building into three residential units and to build two houses in the school yard adjoining the village hall. At a public meeting in the village this proposal was overwhelmingly rejected and the application was withdrawn shortly thereafter.
- In 2007, following a long period of negotiation, an attempt to dispose of the old school to a commercial organisation for office use failed. With the Diocese needing to release funds tied up in the premises it seemed likely that a further application for planning permission to convert the site to residential use was inevitable.
- Faced with the prospect of residential development of a strategically important location in the village centre, the Annual Parish Meeting of May 2007 voted almost unanimously for the parish council to negotiate with the Diocese in an effort to secure the facilities for the community.
- The parish council set up a project group which for the last year has worked to secure the site in the most cost effective manner for the long term benefit of local people.

# Development options

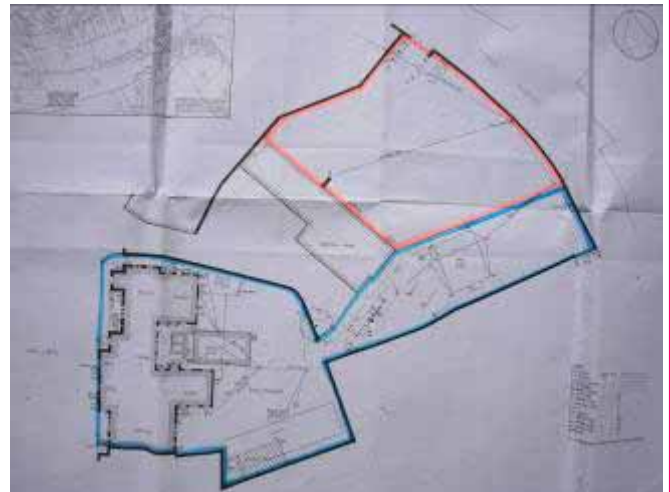
Alternative options considered for the site include:

- Residential development by highest commercial bidder
  - High density, with potential to limit evening use of the village hall
- Mixed use development or commercial premises
  - Insufficient return of sale proceeds to Diocese
- Community controlled amenity
  - Long term benefit
  - Advantageous purchase price



# The concept

- The site is acquired by the community and used to supply services that benefit local people
- Rents charged will be at normal market rates, but could be lower for occupiers offering services to the community that would otherwise be uneconomic to provide at that location.
- The community will control the operation of the facility through the grant of a council loan to the management company set up to purchase and manage the building.

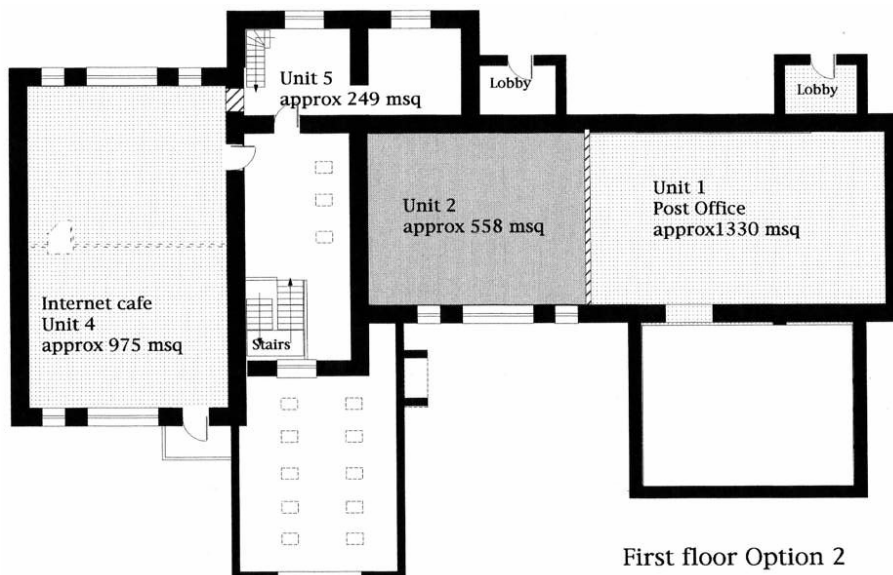
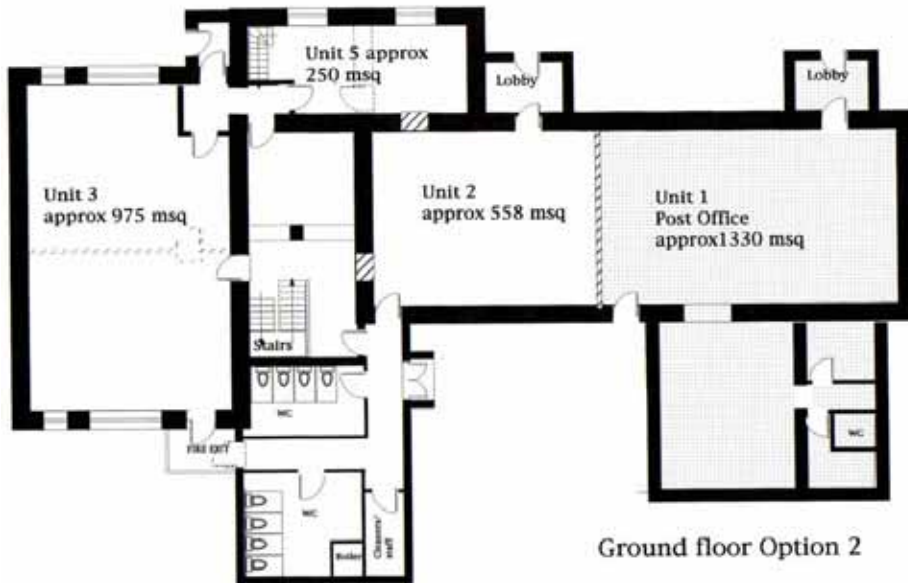


# Planned amenities

- Use as a local amenity
- Over the long term, uses and services could include:
  - Wiltshire Council walk in centre, including Citizens Advice Bureau, etc
  - New post office stores
  - Commercial premises
  - Community facilities
  - Web access
  - Meeting/office space



# What might it look like?



# Sherston post office stores - the proposal

- Increased presence & profile for the post office

- Improved environment
- Ability to incorporate increased foot-fall
- Improved security in new premises

- Double the shop space

- Improved environment
- Wider choice of goods and services
- Inclusion of café area
- Incorporate Sherston Wine Co



- Why include Sherston Wine Co?

- Shared overheads will improve viability
- Unique presence in the village retained
- Shared resources between retail outlets can improve mutual viability

- The post office and shop are vulnerable to the ever changing environment

- Inability to expand
- Too small to fend off any new competition (e.g. Tesco Express / new supermarket)
- Likely to fail The Post Office criteria to accommodate increased footfall when further cuts occur
- The two can only survive together
- Statistics elsewhere suggest that once a local shop and post office close they are very unlikely to re-open

# Village shops

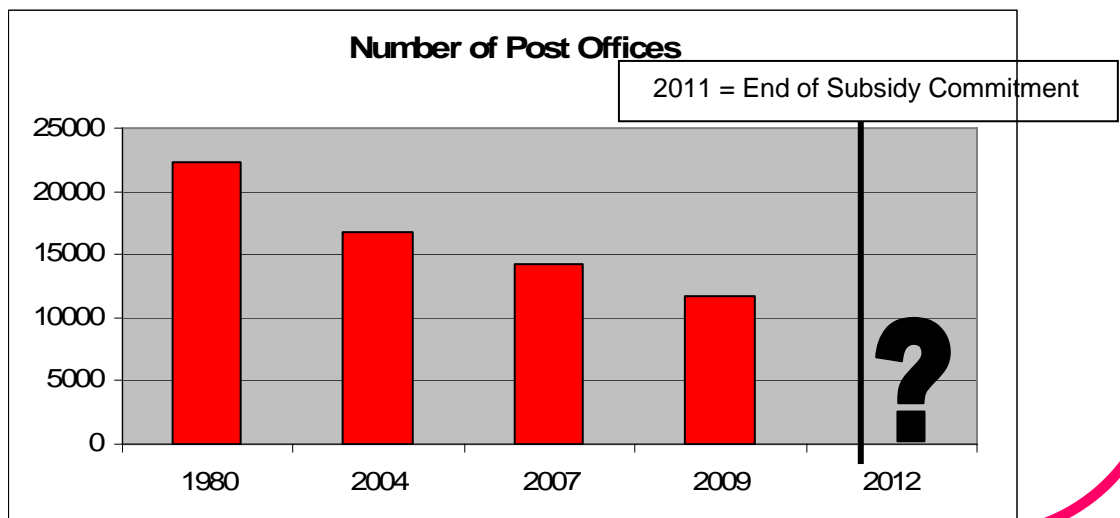
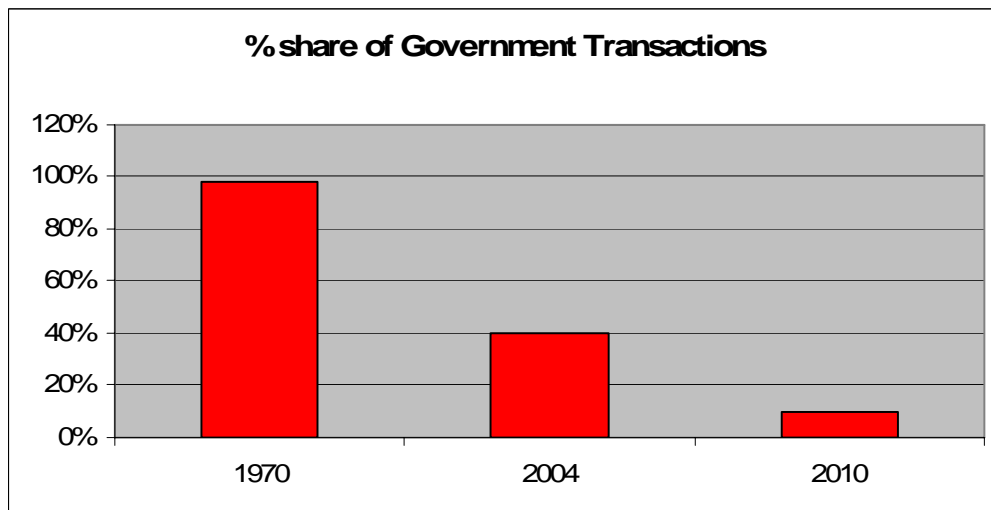
## - only the fittest will survive

- A survey by the commission of 9,677 parishes with less than 10,000 people found that 70% have no general store, (RDA)
- 1991 and 1997 a total of 4,000 food shops closed in rural areas (DEFRA)
- Recent years have seen the trend continue
- Latest estimate is that 300 rural shops are closing each year (Guardian)
- As a whole, urban and rural convenience stores are closing at the rate of 2,000 a year (Cheshire County Council)



# Future of The Post Office network - only the fittest will survive

- Current closures are only the start
- Evidence recently revealed that further closures in 2012 are already being worked on!
- Future viability dependent on new services and critical mass



# Can Sherston PO stores survive?

- No guarantees – however
  - Sherston PO is already the largest of Hullavington, Luckington, Badminton, Nettleton, Acton Turville, Shipton Moyne
  - Existing income suggests Sherston PO is profitable to Post Office Limited
  - Move will allow further growth and accommodate increased footfall from any future local PO closures
  - Larger shop will allow more local needs to be satisfied
    - Wider range of products and services
    - Longer opening hours
  - Larger critical mass easier to defend against new competitors
- Worst case scenario
  - It fails!!
  - Management company will have the option of re-letting OR
  - down-sizing and retaining as a community shop  
(this will not be an option if the PO stores remains at its current location unless the community elects to buy that property)



# Village hall



- Sherston village hall is a vital community facility for the whole parish. It is very heavily used with over 600 bookings per year for a large range of activities. It is the home of the highly popular and successful Busy Hands pre-school.
- The hall and school have been neighbours for well over 100 years. During the last 15 years the hall committee has waited patiently for the future of the school site to be resolved as only then can it progress plans to improve the hall .The kitchen, main foyer and storage areas are all in need of attention. There is also the possible future provision of a 'stand alone' facility for the pre-school on the site.
- The hall committee has consistently opposed any residential use of the old school. Examples from other halls show that residential properties built close to a hall can lead to restrictions on a hall's use particularly for late evening events. Such restrictions could lead to the hall's viability being endangered as well as the limiting of community use. For this reason the hall is not prepared to share its access to the High Street with the school site if it is used for residential proposes.

# Village hall

- The hall committee is extremely grateful to the offer of finance from the Sam Thompson Trust to enable 2/3<sup>rds</sup> of the hall field to be secured from Wiltshire Council. This will ensure that the at least the majority of the field is retained for community use and is free from the threat of residential development. Any such development would be little short of disaster for the hall. The Diocese owns the remaining 1/3 rd and will only negotiate its disposal once the school site has been sold. It is thought highly unlikely that there will be any possibility of planning permission being obtained for this remaining part of the field. The importance of the field to the community was clearly evident at both the recent Village Party and Boules Day.
- The hall committee fully supports Sherston Parish Council's proposal for the future of the old school.



# Benefits of “Yes”

## BENEFITS OF THE PROJECT IN A NUTSHELL

- Ensures the future of an historic and important building for the benefit of the community at no cost to residents by way of increased council tax
- Enables the village hall to remain operating without any constraints caused by the old school being used for housing
- Provides the best opportunity for the long term viability of the post office and stores
- Provides residents with an access point for all services of Wiltshire Council, the new unitary authority as well as other agencies
- Provides an opportunity for other services for the Parish as well as employment
- Guarantees the allotments being secure and free of any threatened housing development for 20 years
- Ensures a living heart in the centre of the village

# Implications of “No”

- Old school remains empty and deteriorating for perhaps another three years or maybe more, thus blighting the High Street
- Increased likelihood of the old school being eventually converted to housing thus endangering the future viability of the village hall by restricting late night functions
- Post office and stores likely to be under increased threat of closure due to restrictions on space
- No satellite office for Wiltshire Council or additional services offered – a major benefit for residents lost
- No additional employment opportunities created
- No guarantee that the allotments will be secure and free from the threat of being developed for housing and secures the school field for the community
- The local community does not benefit from the use of grants and donations now promised to the project

# Finance

- At the recent public meeting one possible source of funding was from a significant housing development at the expense of the allotments and another source a significant increase in the parish precept from everyone in the community.
- The generous contributions now promised from two local trusts (conditional on the retention of the existing allotments) mean that these two previous options have been discounted. There is now only a remote possibility of a small temporary contribution from the precept if the scheme were to fail in the future.
- The present plan ensures:-
  - - The future of the allotments
  - - No housing on the old school site
  - - The future of the village hall
  - - The future of the field behind the village hall
  - - The future of the post office.
- In short, tremendous benefits for the whole community. If the scheme does not go ahead all the points above may be in jeopardy.

# Capital budget

<b>INITIAL COSTS</b>	<b>COSTS</b>	<b>FINANCE</b>
Site acquisition	£450,000	
Conversion costs	£450,000	
Professional fees	£125,000	
Contingency	£75,000	
Total costs	£1,100,000	
<b>FINANCED BY</b>		
PWLB loan		£500,000
Local trusts donations		£340,000
Benefactors/members		£60,000
Grants		£200,000
Total finance		£1,100,000

# Cash flow budget - £'000s

<b>FIRST FIVE YEARS</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
<b>Capital Budget</b>					
Capital Cost	(590)	(470)	35	-	-
Financed By	650	450	-	-	-
<b>Revenue Budget</b>					
Rents Received	-	10	30	40	40
Revenue Costs	-	(5)	(14)	(14)	(14)
<b>PWLB loan repayments</b>	(9)	(22)	(26)	(26)	(26)
<b>Net cash in/(out)</b>	51	(37)	25	-	-
<b>Opening Balance</b>	-	51	14	39	39
<b>Closing Balance</b>	51	14	39	39	39

**Notes:**

1. Capital cost excludes £75,000 contingency
2. Capital receipt in year 3 is VAT recovered following completion of works

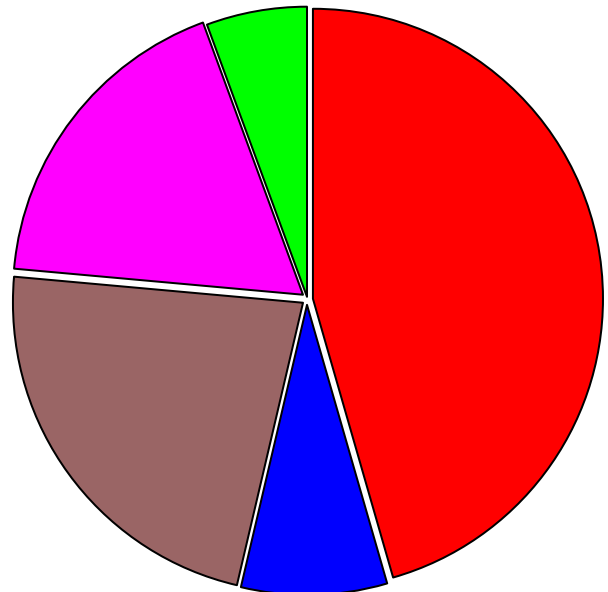
# Revenue projection – year 4 onwards

Rents Received	£40,000
<b>Costs</b>	
PWLB Loan repayment	£26,000
Letting agents fees	£3,000
Legal fees	£2,000
Audit fees	£2,000
Repairs and renewals	£2,000
Management costs	£5,000
Net surplus/(deficit)	-

# Funding

## Sources of funding

- Public Works Loan Board  
- £500,000
- Sam Thompson Trust  
- £90,000
- Eleanor Barton Trust  
- £250,000
- Benefactor/Member  
donations  
- £60,000
- Grants  
- £200,000
  - £128,000 already  
confirmed comprising:
    - NWDC £50,000
    - Planning Gain  
£8,000
    - Wiltshire Council  
£20,000
    - Rural Renaissance  
£50,000
- TOTAL £1,100,000



■ PWLB

■ ST Trust

■ EB Trust

■ Grants

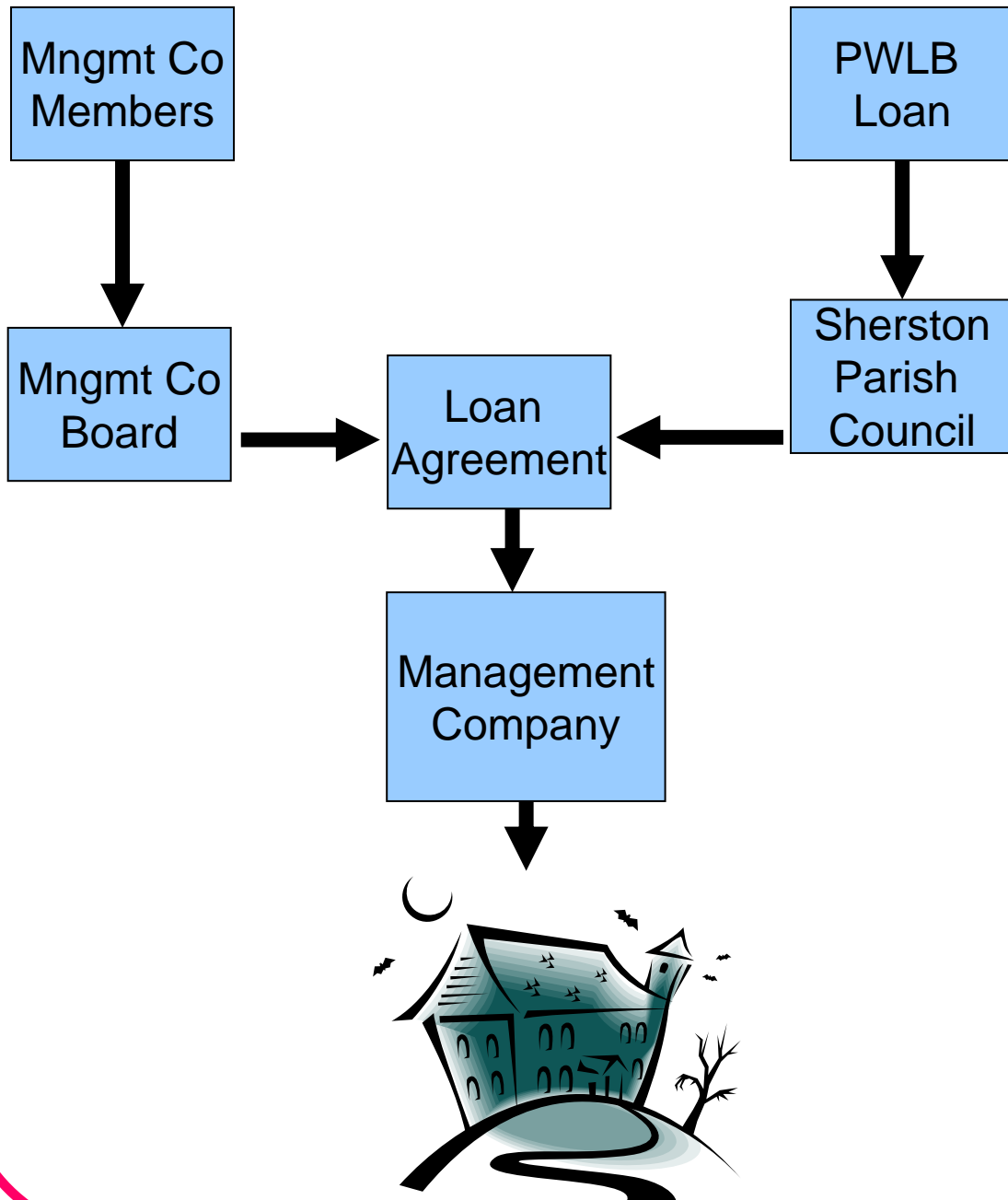
■ Benefactors/  
Members

# Risk management

What are the risks, how will they be managed?

- Risk 1: - Costs of the project escalate or problems are discovered with the building
  - Mitigation: - Construction will not proceed on site until all costs have been fixed. All contracts will be let at a capped price, any cost issues will be the contractors risk. The costs of aborting the project prior to construction can be recovered through the sale of the site.
- Risk 2: - The refurbished building fails to generate sufficient income to offset the running costs.
  - Mitigation: - The management company will hold a cash contingency equal to two years loan payments, hence any shortfall will have no potential impact on loan repayments for at least two years. If shortfalls in anticipated revenues are evident in this timeframe then the management company will be liquidated, the premises sold and the proceeds used to pay off the loan.

# Governance



# Project timetable

	<b>Milestone</b>	<b>Projected Date</b>
A	Agree project plan and design brief	July 2008
B	Tender and appoint legal advisory team	August 2008
C	Acquisition of site	August 2008
D	Procurement of design team	September 2008
E	Production of detailed design	November 2008
F	Grant of detailed planning permission	April 2009
G	Finalise tender costs for contractor and project manager	April 2009
H	Production of final financial model	April 2009
I	Final project approval	May 2009
J	Start on site	June 2009
K	Completion	June 2010
L	Fully operational and fully let	January 2011

# FAQs

- What happens if the proposed venture fails?
  - If the company becomes unviable at any time then it will be liquidated and the proceeds used towards paying off its loan.
- Who decides on the tenants and how much rent they pay?
  - The company will employ a commercial agent to secure the best tenants, consistent with the aims of the building and to maximise the project's income
- Where does the £1.1million cost estimate come from and how certain is the figure?
  - The cost of purchasing the site and drafting the initial design plus the planning application is £500k
  - The balance is the cost of construction work and professional fees in completing the project and establishing the company
  - The figures used are industry standards for work of this nature, prices will be fixed contractually before work on site commences
- Will the project increase my council tax?
  - There is no intention that the project will have any impact upon local council tax payments
  - The new financing arrangements mean that the project could only impact local taxes if the refurbished site remains un-let for two years and that during this time no action was taken to dispose of it.

# What happens next?

- Immediately following this exhibition every resident of the parish who is a registered elector will receive a survey form in which they can either support or reject the proposal.
- Survey forms must be returned to either of the boxes provided in Sherston Post Office Stores or the Tolsey Surgery by 12 noon on Monday 4th August. A box will also be available at Sherston Sunday Papers in the village hall on Sunday 3rd August from 7.30pm to 11.30 am.
- The survey result will be published on Tuesday 5th August. On Thursday 7th August at 7.30 am in the British School Room there will be a special meeting of Sherston Parish Council when a decision whether or not to proceed with the purchase of the old school will be made. All are welcome to attend the meeting.
- Please note that this exhibition will continue in the parish church next week although it will be unmanned. The parish council is most grateful to the Reverend Andrew Evans and Churchwarden Sue Harvey for providing this facility.
- The contents of this exhibition may also be viewed on [www.sherston.org.uk](http://www.sherston.org.uk)

# Your suggestions

- We are fortunate to have a wide range of professional skills within our local community; many individuals have freely given a considerable amount of their time, effort and expertise in bringing this project together.
- Despite this advice, we can't profess to have all the answers, so anyone who has the relevant professional expertise is most welcome to make their own contribution to the project group.
- It is also important to recognise that this is a project that touches everyone in and around Sherston. Your views and thoughts are important – so if you have a suggestion, comment or a question that you believe is relevant, then please do record it in the book below. Don't forget, we're interested in your views whatever they may be.....