# Perth and Kinross Council faces uncertainty over High Street hotel project after Henley Homes liquidation



Perth and Kinross Council is currently re-evaluating its plans for the former offices at 1-5 High Street in Perth, which were intended to be converted into a boutique hotel. This reconsideration comes in the wake of the collapse of the preferred developer, Henley Homes, now in liquidation. The council initially agreed to sell the property to the London-based developer for a nominal fee of £1, and it was anticipated that the project would create approximately 200 jobs and contribute £1.12 million to the local economy annually.

Following the liquidation, the situation surrounding the development has intensified. Serge Merone, the council's strategic lead for economy, development, and planning, addressed councillors in a recent meeting, stating that a report detailing potential options for the site will be prepared for the council by September. A spokesperson further confirmed that in light of the developer’s collapse, interested parties are still permitted to advance with planning applications, as securing planning permission remains a prerequisite for any development efforts.

The backdrop to this situation includes a history of criticism directed at the council regarding the initial sale of the B-listed property to Henley Homes, particularly given the council’s continued rental payments for office space at Pullar House and the £1.9 million commitment to heritage funding linked to the project. The deal was formalised in 2020 but has since drawn scrutiny, especially after The Courier uncovered that Henley Homes amassed debts amounting to £67 million prior to its liquidation. A spokesperson for Rogue City Hotels, previously associated with the Henley group, has stated that it “doesn’t exist” anymore, adding to the uncertainty surrounding the hotel project.

Compounding the matter, another company, Lock Terrace Ltd, has lodged a planning application to convert 1-5 High Street into a hotel. This firm is notably led by two former officers of Henley Homes and submitted their application in October last year. The recent developments have led to mixed reactions in the community, particularly concerning the decision to auction various items stored in the property. The Perth common good fund committee authorised the auctioning of furniture, while retaining two historical Bailies’ chairs from the former Burgh Council.

As the council continues to navigate this complex situation, the future of this prominent riverside landmark remains uncertain, pending further reports and planning decisions expected in the coming months.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

* <https://www.thecourier.co.uk/fp/news/perth-kinross/5074938/1-5-high-street-perth-boutique-hotel-plan/> - This article discusses Perth and Kinross Council's plan to convert 1-5 High Street into a boutique hotel, including the £1 sale to Henley Homes and the anticipated creation of approximately 200 jobs and £1.12 million annual contribution to the local economy.
* <https://www.dailyrecord.co.uk/news/local-news/former-perth-kinross-council-building-26825706> - This report details the council's decision to sell the former council offices at 1-5 High Street to Henley Homes for £1, with £1.9 million of taxpayers' money allocated to support the development into a four-star hotel.
* <https://www.dailyrecord.co.uk/news/local-news/luxury-perth-boutique-hotel-citys-33630767> - This article provides an update on the planning application for the conversion of 1-5 High Street into a boutique hotel, with an expected opening in 2026, following the council's agreement with Henley Homes in 2022.
* <https://www.thecourier.co.uk/fp/news/perth-kinross/5132338/perth-high-street-luxury-hotel-plan/> - This piece reports on Lock Terrace Ltd's planning application to convert 1-5 High Street into a 74-room hotel, led by two former officers of Henley Homes, highlighting the ongoing development efforts for the site.
* <https://www.pkc.gov.uk/article/21689/Planning-site-notices> - This page from Perth & Kinross Council outlines the planning site notices, including those for developments affecting listed buildings like 1-5 High Street, indicating that interested parties can still advance with planning applications.
* <https://www.thecourier.co.uk/fp/news/perth-kinross/1491820/small-minded-penny-pinching-and-visionless-anger-over-1-sale-of-perth-boutique-hotel-to-be/> - This article discusses the criticism faced by the council regarding the £1 sale of 1-5 High Street to Henley Homes, highlighting concerns over the decision and the council's continued rental payments for office space at Pullar House.
* <https://www.thecourier.co.uk/fp/news/perth-kinross/5237664/council-options-perth-offices-hotel-deal/> - Please view link - unable to able to access data