

Saving your Local Pub

A GUIDE FOR LOCAL COMMUNITIES



CAMPAIGN
FOR
REAL ALE



BUSINESS in the
COMMUNITY

Saving your Local Pub is produced by the Campaign for Real Ale, Pub is the Hub and Business in the Community.

First published in booklet form in 2004.

We would like to thank Paul Ainsworth, John Longden, Mike Benner, Louise Ashworth, Bryan Pearson and Andrew Latham for their help in producing this guide.

Published by the
Campaign for Real Ale Ltd.,
230 Hatfield Road
St Albans
Hertfordshire AL1 4IW
tel: 01727 867201 fax: 01727 867670
email: camra@camra.org.uk
website: www.camra.org.uk

Photographs supplied by Greene King plc.,
Graham Miller, Michael Slaughter,
Austin Farrell and CAMRA
Design/typography by Dale Tomlinson
Printed in the United Kingdom by the
Friary Press, Dorset

© Campaign for Real Ale Ltd., 2004

Saving your Local Pub website:
www.pubisthehub.org.uk

Every effort has been made by the producers to ensure the accuracy of information in this Guide, but no responsibility can be accepted.



- 4 Introduction
 - 4 Get started – establish the facts
 - 5 Who owns the pub?
 - 5 Why is the pub being closed?
 - 5 Assess support – does the community care?
 - 6 Create a committee
 - 7 Prepare for planning issues
 - 8 Demolition – bulldozers at dawn
 - 8 Challenging claims that the pub is no longer viable
 - 9 Deal with appeals
 - 10 Prepare a business plan
 - 11 Raising the funds
 - 12 Keeping within the law
 - 12 Summary
- Case studies*
- 12 The Dykes End, Reach, Cambridgeshire
 - 13 The Old Crown, Hesket Newmarket, Cumbria
 - 13 Some other community-owned pubs
 - 14 Sources of advice/guidance/funding
 - 16 Saving your Local Pub: an illustration of the process



CLARENCE HOUSE

The local pub has been part of village life for centuries, but the unprecedented changes and challenges in many rural communities mean that hundreds of these establishments now face closure. That is why, through Business in the Community, of which I am President, I started the 'Pub is the Hub' initiative some four years ago. Among its aims were to identify new services which could operate from the 'hub' of a pub, such as post office or retail lines; to retain or provide other essential services for the village community; and to find other ways of increasing income in pubs so that their finances can be more assured.

To my delight, many village groups around Britain are now showing interest in, or indeed taking responsibility for, the ownership and operation of their village pubs. Last Autumn I visited a wonderful example in Reach, Cambridgeshire, where the local community of just 300 souls not only bought and restored their pub, The Dyke's End, but has now vested the freehold with the Parish, giving the village permanent control and the shareholders their money back. Galvanized by examples like this, other people are beginning to see that real differences can be made when everyone works together on such a project, and that a pub can become the focus for a more diverse village life as well as a means of supporting the needs of a particular community.

Over the years, while we have discovered that each project has its own aspects, it has become obvious that there are many common themes running through this work. The idea of this elementary tool-kit is to help those communities which are considering 'taking the plunge', giving them a clear way forward by providing knowledge about how to do it and pitfalls to avoid. This guide, produced in association with the Campaign for Real Ale (CAMRA), to whom I am enormously grateful, collects the experiences and ideas of hundreds of people who have already saved their pubs and, I hope, provides an invaluable 'how-to' approach.

I have been immensely impressed by the tenacity and vision of so many people throughout this country who have battled to ensure that their pubs remain the hubs of their communities. I hope that this guide will give to those who want to follow in their footsteps the help that they need.

Charles



Introduction

The role of the rural British pub as a cohesive centre of its community has never been more important than it is today, and yet a record number have ceased to trade in recent years.

Exactly why so many have closed is a complex equation, but taken at its most simplistic, changes in employment patterns, the explosion in residential house prices, and a lack of awareness of the wider role that pubs can play in supporting essential services, are the key issues.

Beyond the chatter and laughter of the rural bar room crowd on a busy Sunday lunchtime, there are also the quiet times mid-week in February when no one bar the publican and his dog venture past the front door. In previous centuries, these were the times when the local agricultural workers or skilled craftsmen would have popped in to warm themselves, exchange a



little gossip, and indulge in a pie and a pint. But times change; the agricultural workforce has dwindled as mechanisation has taken root, and many of the traditional village-based craftsmen have long ceased their particular trades. Even the beer is now largely delivered in metal casks, and coopers are a rare breed. In short, there are times when all is too peaceful, when tranquillity can transcend viability.

In parallel to these demographic changes, there has been a phenomenal explosion in residential property prices over the past couple of decades. Assessed on its business turnover, rather than its relative position and the bricks and mortar it is built from, the value of a modest pub business can be dwarfed by the value of the property were it to be converted and sold for residential use. Even many successful pubs are often worth less than the residential value of their property. It is therefore not surprising that many rural pubs have been lost.

If rural communities are not just to become dormitories, it is vital that the residents take a more active involvement, and this is exactly what has been happening across the UK. This Guide has been prepared to assist and encourage the process of assessment in future.

Produced by the Campaign for Real Ale and Pub is the Hub, this Guide has been borne from experience at the sharp end of the pub industry, the customer, and the community.

Saving your Local Pub is designed to be helpful, practical and relevant for village groups, and to be read in conjunction with the Pub is the Hub website (www.pubisthehub.org.uk), on

which formal technical, legal and financial documents and updates are available. *Saving Your Local Pub* is not exhaustive, and we would point out that there is no right or wrong way to approach the problem; every case is different. However, by bringing forward the ideas and thoughts of other communities, you will be able to pick and mix a successful recipe for your own community. Suggestions, ideas, and experiences for adding to future editions and to the website will be warmly received.

This Guide explains how to develop a campaign for a community purchase of a local pub. There are, of course, many alternative ways in which a pub threatened with closure could be saved through partnerships with other buyers. Several key elements of this Guide and the website should also be of use in these circumstances.

Get started – establish the facts

It should be obvious if your local pub is not doing well. The signs of decay are all too evident and in all likelihood a considerable number of people may have already stopped using it. Not every pub has a divine right to prosperity, but it can be a matter of poor leadership and a lack of vision, that lead to the downward spiral in a pub's fortunes.

Once the closure stories or rumours start, intelligence-gathering is the first step. You should try to dissuade the owner from seeking a change of use for the pub before he/she formally submits a planning application, as withdrawal later smacks of climbdown and humiliation.

You need to find out:

Who owns the pub?

Is it the licensee?

Many pubs are 'freehouses' owned by the licensee. There are many reasons why they may be looking to realise their assets.

Is it a pub company or brewery?

Around half of the UK's 60,000 pubs are owned by just ten operators. These groups are very financially focused and driven. The test of economic viability is key to their decision to continue to own a particular pub. These groups generally make their profit in two main ways:

- 1 If they are managed, once all costs are paid the group retains or reinvests the profits from the site or bales it out if there is a loss. The costs are in the main fixed, and if the sales deteriorate, the profits fall at a disproportionate rate and disposal can often follow. If it is a leased or tenanted operation, the tenant will pay a rent to the group for the site. A fall in sales has the same effect on the tenant and therefore the pub may become unviable.
- 2 The group also usually receives a centrally paid discount on the products sold, or they brew products themselves. They also take a central share of amusement machine income.

The less profitable sites will be evaluated to establish whether alternative use can be made of the pub, which will bring higher returns to the owners. These groups, however, do increasingly have a social conscience and will often listen to groups who are prepared to purchase the pub if they are able to match, or almost match, other offers made.

Is it owned by a local landowner or national institution?

Owners in this category generally have a more philanthropic approach than owner licensees, pub groups or brewers, but in recent years most have needed to become more commercial. They are unlikely to sell the pub outright but may be interested in a local team of people taking control of the site. Profits are usually made solely from the rent charged to the tenant.

In all of the above examples you need to find out who is handling the matter for the owner, be they land agent, property department, or agent, or other.

Why is the pub being closed?

Is it because the pub is not making money and is not viable? Has a developer made a tempting offer? If the licensee is the owner, perhaps he/she is retiring and wants to maximise assets? There is sometimes a greater sum to be made by the disposal of the pub, subject to planning permission, for alternative use, especially housing.

Your tactics will, to a considerable extent, depend on the answers to these questions. Expect to have to make your own judgement based on a vast array of answers, rumours and whispers. Don't be surprised; this is a subject area that rarely lends itself to straight answers!

Assess support – does the community care?

So you and your immediate neighbours are convinced that the pub must be saved, but you still need to assess the views of the rest of the community, and also find out whether they



might be prepared to invest in the pub or get involved in your campaign.

- ▣ Start with the regulars from the pub who will suffer most if closure goes ahead. Tell them you think there might be a way forward. Will they support efforts to save the pub?
- ▣ Ask the regulars to talk to their friends and garner further support.
- ▣ Call a public meeting in the Village Hall or other suitable venue (it could be in the pub itself!).
- ▣ Send a press release to local papers and radio stations telling them about the threat to the pub and your plans to save it. Encourage them to mention the public meeting and include your contact details. Most local journalists love stories about pubs, so getting initial interest shouldn't be difficult. Try to be positive and concentrate on building a future



for the pub, rather than blaming the current licensee or owner for its failings.

- Try to identify if there are additional services that could be incorporated in the pub which would support the local community and possibly create employment opportunities and add to the profitability of the operation. There are many examples of this such as a post office, shop, takeaway or even a hairdresser's salon (see the Pub is the Hub section of this guide). It is important to try to assess the needs of the local community.

You'll be surprised how many people will attend if you take the time to put a leaflet through every letterbox, and make some noise with the local media.

This public meeting will make or break your campaign. It is crucial that you come out of it with two things:

- First, a huge majority of attendees must be in favour of trying to retain the pub.

This public meeting will form the basis of your claims in the months to come that 'the community is up in arms at the prospect of losing its pub'. A weak turnout, or a very mixed reaction to whether the pub is worth retaining, probably indicates that you should withdraw gracefully and reluctantly save your energy for another project (e.g., 'use it or lose it').

- Second, you must find out whether people are prepared to invest in a project to save the pub, and if so get a feel for how much they would be prepared to invest. Grants or other loans may also be available to you.

This is the difficult bit, because you may not know how much is required (though you will probably have a ballpark figure that you can use). You certainly won't know at that point which investment vehicle will be best for your circumstances, so it's best to simply paint a picture of how the village could respond, and then ask the big question:

'Assuming in the next few months we are able to prepare an appropriate and acceptable investment offer document, how much would you be prepared to invest?'

You can be no more specific than that. Experience shows that whilst there is no legal commitment on behalf of the pledgers, the sums proffered stack up pretty accurately with what's forthcoming when it's for real.

You should have pledge forms available (or better still include them with the paperwork you hand to people as they arrived). Consider whether you want the pledging process to be very open or whether only one (respected) member of the community should know the names and totals pledged. He/she can regularly provide the committee with the global total of funds pledged, but this avoids possible finger-pointing or embarrassment for those who can't afford to, or who don't wish to, subscribe.

The pledges received from this exercise will be crucial in deciding whether to continue the campaign, and, if positive, in building your case for a purchase.

Create a committee

Assuming a positive outcome to the two main questions posed at the meeting, propose to the meeting that a small committee be formed to take matters forward. You can probably be fairly proactive in suggesting the likely individuals who you feel would be particularly useful. For example, a committee including a solicitor, a journalist, a builder, an accountant and a printer could be very effective. You need someone to act as a spokesperson at meetings and to the media, and a secretary who is organised and is good at writing letters.

Representation on the committee also signals the breadth and depth of support for the campaign. Don't let it be dominated by any one particular group; it must be representative of the whole community if it is going to be successful.

The committee could appoint people to specific roles (publicity officer, secretary, etc.) or you could proceed on a consensual basis with everyone taking on responsibilities as and when they are needed.

From here on, you are going to need to use the wits of the committee members to see you through. Guidance on some of the issues you might face follows.

Prepare for planning issues

You have established that people do care, and you have got a mandate to try to find a way to save the pub from extinction from an appreciable percentage of your community. If the pub is the last pub in the village, then you have a fighting chance of success when a change of use application is submitted to your local council. If there are other pubs in the village, it will be trickier, but nevertheless a well-planned programme can work.

Your next step needs to be to meet with the planning officer at your district council offices. Some councils now include specific support for sole pubs, post offices, and shops in rural communities as part of their local plan. Ask them the following:

- ❑ Has an application for a change of use been received (and if not, would they notify you once one is received)?
- ❑ If they have received an application, what is the timescale for responses?
- ❑ What is their policy on the matter?
- ❑ To provide a copy of any relevant clauses in the local plan

- ❑ What they would like to see from you in order for them to provide maximum support to your community?
- ❑ What viability tests do they feel would be relevant to assess whether a pub can be sustained?

Also ask if the planners are aware of CAMRA's Public House Viability Test (see www.pubsthehub.org.uk). This booklet gives advice to planners on dealing with applications where the owners are claiming that the pub is no longer commercially viable. It includes a series of questions that should be answered before determining if the pub could be a business proposition in the right hands. Expect much to hinge on this viability issue. Assessing viability is at best an inexact science because it can be argued that, in the right hands, ANY pub can be successful, and there are plenty of examples of pubs in remote or unlikely locations which are bursting at the seams on most nights. The fact that a pub isn't doing well at the moment might reflect the capability and entrepreneurship of the current/recent licensees as much as anything else.

- ❑ Ask if they would be prepared to attend a public meeting on the matter and provide impartial guidance on the planning processes involved

As with the media, you need to establish a relationship with the planners and, try to convince them of the merits of your case. Their room for manoeuvre may be limited by the local structure plan, but it can be worth persevering. As an example, one authority that had a 'protect

the last pub' policy was minded in one case to approve a change of use because there was another pub in the particular village. However the locals pointed out to the planners that this other establishment operated essentially as a restaurant and the threatened pub was the only true community facility. The planners were persuaded, consent was refused, and the pub is trading successfully under new ownership.

- ❑ Ensure that your parish council objects to any application for a change of use.

Parish councils do not always carry huge clout in the decision-making process, but their crucial role here is that in most districts or boroughs if a parish council objects to an application, then this will automatically mean that the case has to be heard by the full Planning Committee. Without this, the matter can be dealt with on a delegated basis, by a planning officer at any time.



- ▼ Engage your local councillors on the issue of viability and additional services. Get them thinking hard about how they will try to assess matters when and if an application for a change of use is received.

In the case of the Dyke's End in Reach (see case study on page 12), East Cambridgeshire District Council insisted that it would not consider a change of use until the owner/applicant put the property on the market as a public house, at a professionally assessed market price, with a recognised specialist pub sales agent and for a period of six months. The council monitored the interest in the property, and the efforts of the publican in being even-handed in showing people around.

- ▼ Find out precisely what the planners will expect of you, when the matter reaches planning committee stage

An application for a change of use will not be rejected just because a community disagrees with it. There has to be a viable alternative in existence for the committee members to choose above allowing a change of use. You will need to get some direction from your council officials as to what they would want to see from you in this regard. East Cambridgeshire District Council, for example, was prepared to accept the Dyke's End community bid on the basis of pledges received, rather than insisting that they formally raised the funding before the meeting. This is important – setting up companies, issuing formal share offer documents, etc., can cost hundreds, if not thousands, of pounds.

And if you fail, it will be wasted. If the council does demand a formal position, it is vital that you are aware of this at an early stage.

Demolition – bulldozers at dawn

One exception to the change-of-use planning application process is summary demolition. Unless a building is listed or is attached to a dwelling house, then you don't need planning consent to knock it down, and some unscrupulous owners have done just that. Of course, whatever goes in the pub's place *would* need consent. If you think there is a possibility of bulldozers at dawn, ask the planners to advise the owner against such action and to stress that a dim view is likely to be taken of any planning application that might follow a demolition.

Challenging claims that the pub is no longer viable

Avoid confrontation. Expect, for instance, that the owner/licensee will claim that 'most people in the community don't use the pub'. Respond with a misty-eyed reminiscence of how good the pub used to be, rather than accusing the current owners of wanton neglect that has driven many not to cross his threshold.

- ▼ Maximise use of the 'community value' argument as this has considerable power with planners. This is, however, often the last opportunity for the community to demonstrate it will use the pub rather than lose it.

Pubs are, by their very nature, a community asset. Use phrases such as 'by taking away this pub,



the local community would lose its heart' or 'the community would be a much poorer place if this pub was lost', or 'it is a meeting place for all sections of the community' – plus any other variations on the theme you can think of.

- ▼ Research and propose additional services that the pub, in your hands, would be able to offer to the community.



These could include a new shop, post office services, computer-literacy training, coffee mornings for pensioners, etc. Strong value-added services such as these will strengthen your hand considerably, as well as increasing the income and giving a more secure future to the property. Pubs and communities can often work together to prevent or reinstate vital services that have been lost.

- ❑ Encourage as many individuals as possible to submit personal objections to the planning authorities.

Avoid 'identikit' objections using a standard letter; petitions are also of dubious value. If someone has taken the trouble to write their own letter in their own words, decision-makers are much more likely to take notice of it.

- ❑ Throughout, use the media as much as possible in a friendly, supportive way

Generally, you will find that the media is very receptive to villagers up in arms over the potential loss of their pub. But you will need to keep them continually fed with new angles and photo opportunities. Do not underestimate how powerful this coverage can be to your campaign.

- ❑ Ensure a good turnout of people from the community to the Planning Committee meeting. Any local celebrities or worthies you can persuade to turn up will also be worth their weight in gold. Invite the media, and be sure to advise them if you have been able to mobilise some celebrity figures.

Planning meetings are open to the public, so you can go along to hear the debate. Quite a few councils now also allow objectors to speak but you will need to find out what the process is with your council, and if you are allowed to speak, you will need to book yourself a slot.

Some good-natured noise from villagers and well-marshalled arguments to the planning committee on the day can have an enormous impact on the outcome.

And if you win, celebrate the first hurdle successfully cleared, but be aware... an appeal may follow.

Deal with appeals

The applicant has the right to go to appeal. This will be decided by a Government inspector, either by way of written submissions or through a public inquiry or hearing. Again, you will need to marshal all your arguments and, if necessary, prepare yourself to speak at any inquiry. These are normally fairly informal affairs and not too intimidating – and the Council will, of course, be on your side.

There is also nothing to prevent the applicant shutting the pub even if change of use is refused. Indeed, many owners close pubs in advance of applications being submitted or determined. Nobody is obliged to keep a pub open, though if they try to use the building for something else without permission then the planners can take enforcement action against them. It is not unknown for owners to close a pub, strip it out, then 'sit' on the property – their hope being that by the time any application is considered they will be able to argue that the pub has been lost anyway. It will be your task to point out the reality. Had the committee voted to allow a change of use, there is no simple appeal process for you to follow. In theory, a judicial review is a possibility, but it is expensive and, unless there are glaring procedural errors, you are very unlikely to reverse the decision.

Prepare a business plan

A business plan is essential for all businesses that are setting themselves up to succeed. The plan will form the basis under which the pub is to operate and will answer many of the questions that prospective funders or supporters will have, enabling them to make an informed decision about whether or not to give their help and support to the venture or not. The financial element of the plan will also make sure that there is a real prospect of running the operation with some financial stability and with clear success criteria.

There is no right or wrong format for a business plan but there are some basic principles that you should follow and some basic questions that should be answered. This is your plan and you should write it in your own style, reflecting the needs of your particular circumstances.

We have assumed that, for the purpose of this document, you will need to 'sell' the idea and the



new business to an external funder, be it a bank or other potential investors. To that end, the business plan outlined here is quite detailed. It can be summarised depending on the team involved and the needs of your funders; ask them! (See www.pubisthehub.org.uk for support and reference materials.)

1. Executive summary

This should contain an outline of the key points. A positive overview at the beginning will help set the scene and should stimulate interest in the project and encourage full consideration of your plan.

2. How are you going to run the pub?

Generally, we expect that your objective is to see the pub remain open and to establish it as the hub of the community so that you will not necessarily be interested in making large profits from the site. It is possible that its economic viability is under pressure anyway, hence the reason for the possible closure.

There are two main ways that you can run the pub:

- a **Appoint a manager:** This person is employed by the owners and is paid a salary for doing the job. Involvement in their supervision, control and in all aspects of running the business can be onerous and as such is possibly not the most appropriate method to run your pub.
- b **Appoint a tenant:** This person will take the lease/tenancy on the pub and run their business under your roof. They will pay the

owners for the privilege of doing so, usually through rent, although any structure can be agreed, such as a percentage profit share and rent or a percentage of sales and rent (see the website for further details and a sample lease).

3. Who is involved in the project?

Give a brief outline of the skills, experience and background of those involved and what their role is to be in the project.

4. What is your financial plan?

This section is particularly relevant if you are planning to apply for a loan or an investment from a third party. We recommend that you use a financially qualified person to produce/advise on this section.

5. How does the pub operate at present and what will you do differently?

Whilst we expect that there is some level of altruism in your desire to keep the pub open, it must have some commercial viability if it is to have a real long-term prospect of survival. So what you are planning to do differently to ensure its survival is critical.

You will undoubtedly know the pub, how it is performing and within which market. In your business plan you should identify the strengths and weaknesses of the current business and then develop the opportunities and threats it faces. This is called a SWOT analysis (see website for an example).

This structured analysis will help you to evaluate the business and to consider what needs to be done to develop a new strategy for the pub

and to improve its economic viability. Please see the section entitled *Pub is the Hub* in this Guide which we hope will give you further ideas for the development of the pub and the expansion of local services and facilities. A structured approach will also enable you to set objectives (if the pub is to be managed), or to write into the lease clauses on the method of operation of the pub by the tenant.

6. Who is the competition?

Research some of your nearby competitors, comment on their offering, and compare pricing structures to your planned structure. It can be helpful to complete a SWOT analysis on each of your competitors' operations. Don't forget that there are competitors that aren't just other pubs. For example, if food is to feature in a major way in your pub, find out where people go to eat? What restaurants, hotels, bistros, cafés are there in the vicinity? Why are they successful? What can you do to entice new customers to your pub?

Raising the funds

Finally, you have reached the stage where you have to raise the cash. No more pledges, no more promises... just the real thing.

You may have got this far without bringing in an accountant or solicitor. That needs to change. You must enter the next stage with full professional support... and if it is via a villager all the better – it ought to be much cheaper than heading down the High Street. But if you don't have in-house help, be aware that you are about to start spending some serious money; professional fees quickly mount up.

If it all goes wrong and you don't raise enough money, or someone else pips you at the post, who is going to pay these professional fees?

Your committee now needs to decide on its strategy. Will you seek to buy the freehold to run it as a business? Will you buy the freehold and let it to a tenant? Or will you buy the freehold and then sell a long lease? These are all options. What will be your vehicle? A private limited company, a cooperative, or even an informal drinking club? And once decided, what kind of format will it have? Shares, loan notes, A and B shares?

What is your exit strategy? How will people expect to be repaid? What are the taxation implications? In short, you need to make some decisions. We've discussed the pros and cons of some of the different options on the website (www.pubisthehub.org.uk).

Talk it through at a committee meeting, ensuring that your professional advisers are in attendance to explain anything that might be unclear. If you can, choose one preferred path, which you can then propose to a public meeting as a firm recommendation. If you go to the public meeting with options, you'll quickly get bogged down; and if you end up having to have a vote, then you can be sure that a good number of those whose views did not prevail, will find reason to back out of the venture.

Before the public meeting you must have the following:

- (i) A robust business plan.
- (ii) A clear strategy as to what kind of company and share structure the committee is recommending.

(iii) An offer document (prospectus) for individuals to subscribe to (must be a professionally approved document).

Think hard as to what your minimum investment sum might be. Experience shows that it needs to be kept reasonably low or you will find yourself excluding key members of your community. And the moment they feel excluded, you also lose their support. A minimum figure of around £250 is probably about right.

Accentuate the 'community benefit' in your offer document. By downgrading the pursuit of profit in the official prospectus, you will take considerable pressure off yourselves later on in the process.

There'll be an initial burst of excitement as forms and cheques seem to pour in. You may be lucky and raise all the funds you need, but the likelihood is that you now need to do some



careful targeting to find one or two larger investments to achieve your goal. Amongst your number, no doubt there will be people with different connections. Arm them with all the required paperwork, and despatch them to all quarters. It won't be easy, but Rome wasn't built in a day. Expect to have to be incredibly persevering at this stage.

In forming your company or cooperative, or whatever route you select, there will then be a host of other issues to consider, covering aspects such as the Financial Services Act, the Public Offer of Securities Regulations, corporation tax, shareholder agreements, provisions in Memorandum's and Articles of Association, share certificates, VAT, option agreements, etc.

CASE STUDY 1

THE DYKES END Reach, Cambridgeshire

This pub, then known as The Kings, was the last remaining amenity in this small village. It had been a popular pub but the then-licensee, a free trader, had run into difficulties and lost business. At the end of 1997, he announced that he was closing the pub and applying for permission to change it to a house.

An action group, led by Bryan Pearson (the pub's next door neighbour and a major contributor to this booklet) was quickly formed. The group contacted the District Council who agreed that closure would contravene the local plan and refused the proposed change of use; the vocal community opposition to the plans certainly played its part in the decision.

The group then formed a company, Reach for a Pint Ltd, and persuaded the Council to grant them £1,000 to conduct a feasibility study into buying the pub

Yes, the fun has only just begun! Rather than enter into the detail here, we've tried to include as much detail as we can on the website. But please remember, whilst there are a number of off-the-shelf documents included (which can be downloaded as pdf files), please do still take formal advice.

Keeping within the law

The licensed trade has a large number of laws and regulations that affect the workings of the pub. The principle ones include the Licensing Act, planning and building regulations, food and safety premises regulations, the Disability Discrimination Act, the Health and Safety at Work Act and employment legislation. A detailed breakdown of the relevant laws and regulations

lie outside the scope of this guide, but you will find more on the website (www.pubisthehub.org.uk)

If the pub is to be run by a tenant, then most of these requirements will be their responsibility, but it is important to ensure that you take an overview to ensure that no liability falls back to you and that the pub is not devalued by their inaction or ignorance of the law or regulatory framework.

Summary

This Guide is very much a starting point in your campaign to save your local pub. It is not possible to provide you with a model that would work in every case, but we hope it will give you the inspiration and confidence to take the first steps towards retaining your community pub.



themselves. The study came up with a plan whereby local shareholders would pledge the necessary sums both to buy and restore the pub. In the end forty-nine villagers became shareholders and raised £178,000

between them. Investments were made on the understanding that if all went well according to plan, in around four years, the pub would be sold as a going concern on a 999 year lease, with the freehold being assigned to the Parish Council.

What followed was a true community effort. The sale was negotiated and the renovations were undertaken largely by the villagers themselves. A key addition was the conversion of part of the upstairs accommodation into a restaurant area.

This pub is now a thriving enterprise having increased its turnover by more than 100%. Once more, it is at the heart of the village with darts teams, quiz nights, fine ales and good food. For further information contact Bryan Pearson 01638 743633 or email bryan@fsg.co.uk

CASE STUDY 2

THE OLD CROWN Heskett Newmarket, Cumbria

The story of the Old Crown and how it became a small beacon of hope for pub preservation dates from 1988. Jim and Liz Fearnley were former teachers who bought the pub and decided to add a brewery in outhouses at the back.

Ten exhausting years later, the Fearnleys decided to sell the pub and concentrate on brewing. Kim and Lyn Matthews took over the pub – but within a short time the future of both pub and brewery were in doubt.

Lyn Matthews died tragically and suddenly from cancer, and Kim decided to sell the pub and leave the area. The Fearnleys had also had enough and announced they wanted to sell the brewery.

Julian Davey, chairman of the co-op that now owns the brewery, says the villagers feared that Heskett Newmarket, which once had five pubs, would lose its last local. The first co-op was formed four years ago, with 57 people – some from as far away as Cambridgeshire and Norfolk – chipping in to become equal shareholders. The number has now grown to 58 and ideally they would like a further 15.

The pub co-op was set up in 2002 when Kim Matthews announced he was selling. As a result of media attention, Julian Ross, chairman of the pub co-op, says there was a huge response when he first announced the creation of the co-op. People from England, Scotland, North America and even South Africa who had visited the pub and fallen under its spell rushed to join, donating £1,500 each.

The co-op started with 35 members and needed 125. There was no problem in reaching that target, with many of the shareholders in the brewery also opting to join the pub co-op.

Julian Ross says the aim of the co-op is to maintain the pub, not to make money. The success of the



business is down to the new tenants, Lou and Linda Hogg. They have a 21-year lease, which they can only sell back to the co-op if they decide to move on.

Both pub and brewery are flourishing. The beers are delivered direct to local outlets and taken further afield by the Flying Firkin wholesaler. Turnover at the pub has increased by 50 per cent since it re-opened as a co-op.

The Old Crown stages quiz nights, folk nights and tall story competitions. It's also home to the local darts and pool leagues, and doubles as the village library. Villagers chip in by cooking for the pub, supplying pies, cakes and even curries.

Audrey Heslop, a shareholder in both co-ops, makes soup for the Old Crown. Her support is both simple and heart-felt: 'We won't get wealthy running the pub and the brewery. It's all about lifestyle. It's a Cumbrian pub serving Cumbrian beer and food.'

(Extract from an article by Roger Protz)

Some other community-owned pubs

- The Jolly Farmer**, Cookham Dean, *Bucks*
(01628 482905).
- The Harrow**, Little Bedwyn, *Wilts*
(01672 870871).
- The Fox & Hounds**, Llancarfan, *Vale of Glamorgan*
(01446 781297/781298).
- The Angel Inn**, Grosmont, *Gwent*
(01633 812841).
- The Crown**, Broughton, *Cambs*
(01487 824428).
- The Robin Hood**, Cragg Vale, *West Yorkshire*
(01422 881151).
- The Plough**, Horbling, *Lincs*
(01529 240263) – owned by the parish council.

There are five essential elements if your campaign is to stand a chance of being successful:

1 ESTABLISH THE FACTS.

Information is power and you need to know who owns the pub, why it is closing, etc.

2 ASSESS SUPPORT IN YOUR COMMUNITY.

You will probably be claiming that the closure of the pub will mean the loss of a valuable amenity. To demonstrate this, you need support within the community.

3 AN EFFECTIVE COMMITTEE.

This is needed to drive the campaign forward. Its members should bring skills and experience to the committee and be diplomatic and non-confrontational when necessary. They also need to develop and drive forward a business plan for the pub to encourage investment.

4 A PLANNING STRATEGY.

You need a strategy to deal with the likely application for change of use. This could be the key to the success or failure of your campaign.

5 FUTURE DIRECTION.

Buying the pub is just the beginning. You need to be clear, in the form of a management plan, about what you expect from the business. For example, do you regard community ownership as a long-term plan or do you have a short-term exit plan once the pub is operating well?

There are several examples of pubs that are now community owned. You will find the details of some within the Guide.

Finally, Pub is the Hub and CAMRA are here to help with advice and ideas, and you'll find lots of invaluable information at www.pubisthehub.org.uk. This website contains more detailed insights into the technical, legal and financial aspects of buying and owning a pub and will be regularly updated.



Sources of advice/guidance/funding

Pub is the Hub

Pub is the Hub was initially formed in 2001 by the Rural Action Programme of Business in the Community, the British Beer and Pub Association and The Countryside Agency. It voluntarily encourages breweries, pub owners, licensees and local communities to work together to help retain and enhance new or essential services which could be provided by the pub to support the community.

As covered elsewhere in this Guide, many of the pubs that close each year have become financially unviable or it is believed by the existing owner that he/she can make better use of the land/building.

The pub has traditionally provided a centre/heart to the hamlet or village and the Pub is the Hub scheme aims to help the pub trading by encouraging additional uses for it, thereby improving its financial viability. This scheme has had considerable successes; examples of which are detailed on the website and in this Guide.

The additional facilities that might be considered are listed below. This is not an exhaustive list and depends on the space available, the location of the pub and the needs of the local community. Details of the contacts that can help with these ideas are contained on our web site and in the contacts section at the rear of this Guide. Most of these ideas only need underused space, willing and capable staff (who may already be employed by the pub), and effort by the owners/licensees.

▼ **Better provision of food and drink.** This is the core skill of the licensee and his/her staff. Sometimes simply changing the offering and the style of food and drink can turn around the viability of the pub.

▼ **Additional retail uses.** It is a fact that many post offices and village stores have closed. Pub is the Hub has strong working relationships with the Post Office and other suppliers who are keen to provide additional outlets for goods and services.

▼ **Locals online.** This initiative provides Internet and Email access to locals by the provision of personal computers within the pub.

▼ **Other additional facilities.** There can be many ways to improve the usage and viability of your pub. Some examples already helping other pubs are listed below:

- Church services
- Parish/ local club and society meeting place
- Local pensioner meal support operation
- Pharmacy collection point
- Dry cleaning and laundry deposit and collection point
- ATM (cash point) machine location
- Provision of a crèche facility
- Off licence
- Online delivery point
- Betting shop
- Fitness/small gym facility
- Art and Craft gallery
- Outlet for farm produce or local goods
- Hairdresser's salon.

For further information or to obtain the Pub is the Hub Guide, please contact John Longden, Pub is the Hub Advisor, c/o Gerald Eve, Chartered Surveyors and Property Consultants, 7 Vere Street, London W1G 0JB; tel: 020 7333 6366; fax: 020 7491 1825; email: jlongden@geraldev.com website: www.pubisthehub.org.uk

The Campaign for Real Ale

CAMRA is a not-for-profit consumer group with over 70,000 members. It exists to promote and defend full-flavoured and distinctive real ales and decent pubs. Membership costs £16 per year. Contact us for details of your local CAMRA branch, who will be pleased to offer support and advice. Campaign for Real Ale, 230 Hatfield Road, St Albans, Herts, AL1 4LW; tel: 01727 867201; fax: 01727 867670; email: camra@camra.org.uk website: www.camra.org.uk

Business in the Community

BITC is a unique movement of companies across the UK committed to continually improving their positive impact on society, with a core membership of 700 companies, including 70% of the FTSE 100. HRH The Prince of Wales, President of BITC, launched a new campaign, Rural Action in July 2001. It is a practical agenda to encourage business involvement in three key areas: building enterprise communities; strengthening market towns; and supporting local sourcing. The concept of Pub is the Hub is central to the rural action programme of building enterprising communities. More information can be found at www.bitc.org.uk

Other organisations

The Countryside Agency has 38 rural community councils in England who provide a wide range of

support and help to local people living in rural areas. They also help communities who wish to apply for grant aid under the Vital Villages scheme, which could be of use to campaigners trying to buy their local. The scheme can provide 'pump-priming' finance for surveys or feasibility studies. Further information on Vital Villages can be found at www.countryside.gov.uk/vitalvillages, or by telephoning 0870 333 0170.

In Scotland, Scottish Heritage can be contacted on 0131 447 4784 (www.snh.org.uk) and in Wales, the Countryside Council for Wales can be contacted on 01248 370444 (www.ccw.gov.uk)

The Community Fund distributes money raised through the National Lottery. The Fund awards grants that aim, among other things, to improve quality of life in the community. The website (www.community-fund.org.uk) gives details of the range of grants available, or an information pack is available by telephoning 0845 791 9191.

Regional Development Agencies administer the Community Investment Fund, designed to enable local communities to participate more effectively in regeneration. Further information on Regional Development Agencies in England can be found at the DTI website (www.consumer.gov.uk/rda).

The Welsh Development Agency is based at Pearl House, Greyfriars Road, Cardiff CF1 3XX; tel: 0345 775577; website: www.wda.co.uk.

Scottish Enterprise is based at 120 Bothwell Street, Glasgow G2 7JP; tel: 0141 248 2000; website: www.scottish-enterprise.com.

Saving your local pub website

www.pubisthehub.org.uk

Saving your Local Pub: an illustration of the process

