

# Save The Thorold Arms Q&A

Updated 4<sup>th</sup> April 2018

## **What's going on with The Thorold Arms?**

The pub and shop closed in July 2015 and, since outbidding the community at auction in July 2016, the current owner has attempted to obtain planning permission for change of use to a residential dwelling. The villagers of Hougham and Marston have consistently wanted to take the pub into community ownership and reopen it as a pub, shop and café with B&B rooms above.

## **What's happening now?**

The owner has agreed to sell the pub to the Villages and as a result the committee will be ready to launch a share offer at a public meeting in the village hall at 2pm on the 14<sup>th</sup> April 2018.

## **Why has there been so little news?**

Over the last few months the volunteers on the committee have been doing a lot of work behind the scenes, researching the updated processes, working with the Plunkett Foundation and others to acquire approval for our updated business plan, refurbishment plans and share offer. This has required a great deal of detailed work with the relevant bodies to achieve the standards required.

There has been a lot of bureaucracy and paperwork and, now it's all in place, we can get on with buying the pub!

## **What is community ownership?**

Community owned organisations are owned and controlled by the community and operated through a mechanism that allows the community to influence their operation and to enjoy the benefits arising.

Having taken lots of advice, our organisation will, as before, be a Community Benefit Society (CBS)

## **Where did the idea of the community buying the pub come from?**

There are many success stories of community owned pubs and shops and it is government policy to support villages like ours to buy and run Assets of Community Value (ACV)

At the end of 2015 we asked residents if they would be interested in taking over the pub and the answer was a resounding yes so we set off on the journey!

## **What will be there when it's open?**

From the original questionnaire residents said they wanted a shop, café and pub, we also have researched the viability of B&B rooms and they could make money for the CBS

## **What's in it for me?**

It depends what you want from it!

It might be daytime social contact, the convenience of walking to a shop for the papers rather than driving, a B&B for relatives to stay close by at Christmas, a coffee and a cake after you've walked the dog or dropped the kids off at school. Somewhere to get Amazon to drop parcels when you're out, a dry cleaning service, a place to watch the football or F1 on TV.

Somewhere to get a beer without risking driving over the limit – if the blood alcohol limit is reduced from 80 to 50mg/100ml as it's been in Scotland, just one pint would be too much...

Somewhere you're recognised as a local and an investor, the warm feeling of having really helped the

community!

Or you might be concerned at the damage that having no pub has done to the value of your house, investing in the pub would repair that damage, adding thousands to the value of your main asset.

### **Will this have an impact on house prices?**

We understand that the lack of a pub has reduced house prices in the villages by at least 10%. Taking the average house price in the two villages of £350,000 this means the pub closing down has already cost the average owner at least £35,000.

This is what Rupert Fisher, manager of the Savills estate agents branch in Lincoln said to us about the impact of a pub on property values, in his example the house in a village with a pub was worth 50% more than one without: -

"I can confirm that having a shop or a pub in a village does make a difference to the salability of property within that village.

If I had a pound for every time a new buyer registered with us and stated "I want to be in a village with a pub or shop" I could have retired already. Village communities are coming back and it is very difficult to build a community without a central focal point like a pub.

Last year we sold an immaculate barn conversion in Boothby Graffoe (a village with no pub) and the price per square foot achieved was £141.

In the neighbouring village of Coleby (with a pub) we have just achieved £217 per square foot.

In today's hectic world buyers would prefer to live in a village with facilities than without, the ability to be able to walk to these things is increasingly important"

How much would you invest to get a gain of at least 10% of the value of your house?!

### **Why should I care?**

We've all sat in a great rural pub and thought how wonderful it would be if it was in our village!

The social contact from having the pub open would be a great improvement to our quality of life. It's all too easy to be isolated in a rural village. We have an ageing population, with many residents living by themselves, and having a shop/café/pub would make a real difference. Whether popping out for a pint of milk, meeting friends for a coffee or to going to a quiz night there should be something for everyone.

Imagine the Pumpkin Weighing night happening every week of the year!

The opportunity to volunteer will help some residents get out of the house and provide them with a purpose. There will also be employment opportunities.

There is recent research that shows that social isolation in older age has as bad an effect on health as smoking 15 cigarettes a day:-

<http://www.campaigntoendloneliness.org/threat-to-health/>

### **What makes us likely to succeed when the previous owner failed?**

The shop, café, pub will be owned by and run for local residents not for a national pub company or an individual owner. If the business gives us what we need then we're far more likely to use it. It will generate more sales by being more responsive to local requirements.

We will run the business as a 'not for profit', we won't be greedy on prices or cream off the profits. Surplus will be reinvested in the business and/or the Community

Our aim is to buy the pub with little or no debt – that's why we need as many investors as possible and for investors, that can afford it, to make a significant investment.

Without the burden of a large mortgage or the need to generate large profits, it will be much more financially viable

Some of the daytime staff costs will be filled by volunteers, giving residents a chance to have the social contact that will come from working there and so reduce operating costs.

The aim is for long-term continuity and sustainable success rather than a succession of owners and the inevitable boom and bust cycle that this produces.

### **Aren't rural pubs doomed anyway?**

While there is plenty of bad news about pubs and shops in general with many closing down, the outlook for community owned businesses is much brighter.

There are already 348 community owned shops in England and 46 pubs. As far as we know none have closed.

### **What is a Community Benefit Society (CBS)?**

A Community Benefit Society is a social enterprise. They are incorporated industrial and provident societies (IPS) that conduct business for the benefit of their community. Profits are not distributed among members, or external shareholders, but returned to the community. However investors do receive interest payments out of profits.

### **Why is the government helping community pub purchases?**

The government has a policy called "Localism". This is what they say:-

"For too long communities have not had a big enough say in what happens in their local area – whether it be about what happens to local amenities, how local services are delivered, or how new development is planned."

"The Community Right to Bid will give community groups the right to prepare and bid to buy community buildings and facilities that are important to them. It came into effect on 21 September 2012."

<https://www.gov.uk/government/publications/2010-to-2015-government-policy-localism/2010-to-2015-government-policy-localism>

### **What help is there for us to do this?**

The government has announced a £3.62 million support programme to help communities take control of their local pub led by Plunkett Foundation who we are already working with:-

<https://www.plunkett.co.uk/news/new-362-million-support-programme-announced-to-help-communities-take-control-of-their-local-pub>

### **What's an Asset of Community Value (ACV)?**

An asset of community value (ACV) is land or property of importance to a local community which is subject to additional protection from development under the Localism Act 2011. There are thousands of pubs listed as an ACV in England and that number continues to grow.

### **Why should I invest?**

If we don't buy the pub we might lose it forever, the beating heart of the villages will be gone for good

### **Who is on the committee?**

Ian Tyler, Chairman  
Tim Found, Vice Chairman  
Rob Morley,  
Mike Allen,  
Stuart Vickers,  
Steve Richards,  
Sandra Allen  
Kevin O'Sullivan  
Melanie Ellerington

Committee members all live in Hougham or Marston and have been here for between 1 and 30 years.

### **Will the committee make money out of this?**

All the committee's time has been on a voluntary basis and there will be no payments at all at any point.

### **Why are there no 'natives' on the committee?**

We regularly ask for volunteers and everyone who has come forward has been accepted onto the committee. We welcome any others who want to get involved, in fact we will need a wider group of volunteers to make it work – please come forward!

### **What's the tax situation?**

We will be applying to enter the EIS scheme which may make your investment qualify for tax relief of 30%, more detail will be in the new share offer prospectus launched on 14<sup>th</sup> April 2018.

### **How do I get my money out?**

You will be able to withdraw your investment after an initial lock-in period of three years, subject to the rules governing how investors can make withdrawals. The rules will ensure the CBS is not undermined by having too much taken out at at one time.

### **Can I buy shares for my children/grand children?**

Yes, please do! Anyone can own shares and once you are over 16 years old you automatically become a member of the CBS and can vote.

### **Has anyone made this work?**

There are many case studies and several committee members have visited other community enterprises including: The Anglers Rest, in Bamford, Derbyshire and The Green Man and community shop and post office in Toppesfield in Essex. We have also liaised with many others.

### **Who is the bank for the CBS?**

The Coop Bank

### **Who are Plunkett Foundation?**

Plunkett Foundation helps communities to take control of their challenges and overcome them together. They have considerable experience in helping communities like ours buy their pub.

<https://www.plunkett.co.uk/about-us>

They have already given us a number of grants towards the costs of developing our plans and have also been helping us apply for further grants from the “More-than-a-pub” fund.

### **What have the parish councils done to help?**

Marston Parish Council successfully applied to have the pub listed as an Asset of Community Value and have given £500 towards costs to date.

### **How much will it cost to get the pub open?**

Buying and refurbishing the pub will cost a similar amount to the average house price in the immediate area – around £410,000.

The share offer which will come out on the 14<sup>th</sup> April will need to raise a minimum of £210,000 which is required to buy the pub and pay the legal fees, insurance etc.

### **What happens if the share offer doesn't raise the £210,000 to proceed?**

If we can't buy the pub all funds will be returned to investors. You will get all your money back.

At this point the current owner would probably be able to develop the pub, garden and car park into several houses. Our battle to save the pub would be over.

### **How much can I invest?**

Shares are £50 each and an individual can buy between 1 and 2000 shares (£50 to £100,000).

### **What about parking?**

In its heyday parking was manageable so we don't expect there to be any parking problems.

### **Is there going to be a Post Office?**

At the moment The Post Office don't want to give us that facility, we will keep pushing.

### **Who is going to run the pub?**

The plan is to hire a professional management couple who will live over the pub. We will make a comfortable flat suitable for a young family.

### **What beers will be on sale?**

What beers do you want?!

### **Can I buy my daily newspaper, bread, milk?**

Yes.

### **When will it reopen?**

If we raise enough money the plan is to renovate and reopen before Christmas this year.

### **What will the opening hours be?**

We would expect to be open from 8am for early birds and to be open throughout the day until closing time at 11pm. There will be published opening times that you can rely on! No more walking half a mile and finding it unexpectedly closed!

### **What happens if the share offer raises enough to buy the pub but not enough to refurbish it?**

We will be able to access additional funds to complete the refurbishment from bank loans and grants such as “More-than-a pub” so we can get the pub open. We are already in negotiation to qualify for those grants. However grant applications are competitive and long winded. So the more money we raise by way of the share offer the quicker the pub and shop will reopen.

### **Have there been any offers to buy the pub?**

Other than the CBS, no.

### **Why won't a pubco buy The Thorold Arms?**

The economics of a small rural pub means no pubcos are interested. The increase in minimum wage and potential reduction in drink driving alcohol limits make it ever harder for them to buy rural pubs with debt and make a profit.

We can make it work because we are keeping debt as low as possible, running it as ‘not for profit’ and using volunteers.

Plus, if you are a shareholder, where are you going to go?

### **Is Ian Tyler buying the pub?**

No! Ian is the Chairman of The Thorold Arms (CBS) Limited and plans to be one of the investors alongside everyone else.