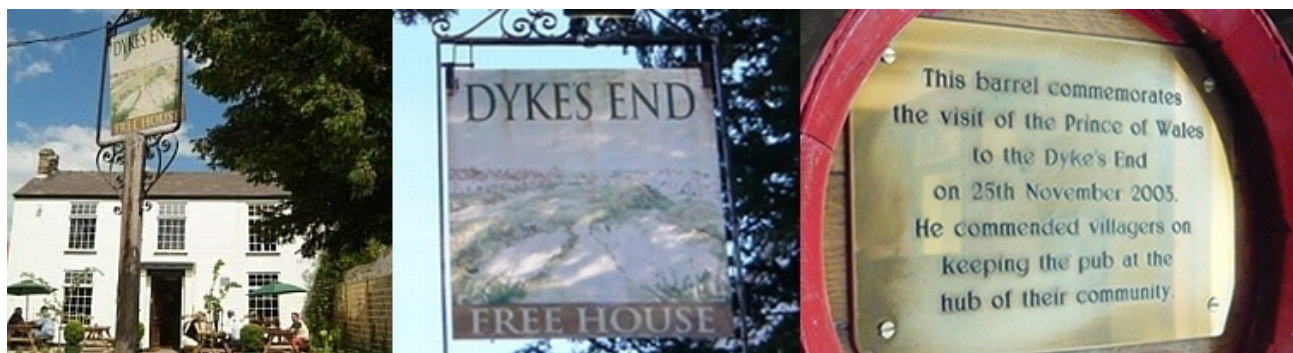


Pub is the Hub Case Study

DYKES END COMMUNITY PUB, REACH, CAMBRIDGESHIRE



BACKGROUND

This pub, then known as The Kings, was the last remaining amenity in a small village tucked away between Ely and Cambridge. 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 going to submit for a change of use to residential, and was hoping to take advantage of the rapidly rising domestic property market. Centrally located, adjacent to the village green of a popular Cambridge commuting village, the value of the property as a residence was spiralling fast away from that of a failing pub.

PROJECT SUMMARY

An action group led by Bryan Pearson was quickly formed and mandated by a public meeting to explore all avenues towards saving the pub. The group played a strong media hand, and then also contacted the East Cambridgeshire District Council (ECDC). After several meetings ECDC decided that closure would contravene the local plan and should therefore be resisted. It was a courageous move, as at the time, no Council had taken such a stance, and there was no central government guideline to support its position. The Council carefully pondered the legal implications, and courageously decided that as the pub was the last amenity in the village, it was prepared to defend any legal challenge on the grounds of the newly emerging concept of community sustainability. Crucial to this was the community's preparation and presentation of a viable case for keeping the pub open.

OUTCOMES

In the event the publican decided not to challenge the decision of the Planning Committee, and after a period of stand-off the group then formed themselves into a company called Reach for a Pint Ltd and persuaded the Council to grant them £1000.00 to conduct a structural survey into the state of the bricks and mortar of the pub. Eventually the publican agreed to sell the pub and the company capitalised as required based on a share offer that anticipated getting the pub back on its feet, but then selling it on after three or four years at a subsidised price. Community gain was stressed as being the motivation for investment, not profit. In the event, three years later the pub - now renamed to its original name of The Dyke's End - won the 'Village Pub of the Year Award', and four years later was sold on to new ownership under whom it has continued to grow and thrive. A micro brewery has also now been added at the rear of the pub. The new owners took a 999 year lease on the premises, with the freehold vested in the Parish Council including a caveat that should there ever be a request for a change of use, the Parish response would be the simple majority of a vote of villagers within the currently defined parish boundary.

LESSONS TO LEARN

- True community effort and commitment can yield a rich reward.
- Strong support from the District Council significantly helped the project to develop.
- Now the biggest employer in the village and has brought benefits to local suppliers, helping the rural economy.
- Having a clear term for the investment was important. People don't like investing with no idea or control of when they might realise their asset.
- The minimum investment was just £250. Important not to go above this as a minimum or people feel excluded.
- Each investor had a single voting £1 A share. All other shares were non-voting B shares. It is important in a community initiative, to ensure everyone has equal standing.

PROJECT COSTS (EXCLUDING VAT)

In the end forty-nine villagers became shareholders and raised £178,00.00 between them. The majority of pledges were for the minimum sum, but as ever with these kinds of projects, two significant pledges became the key financial enablers. The vehicle used was an ordinary limited liability company which ultimately with the approval of each and every investor, self liquidated leaving shareholders to resolve their own tax obligations.

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