



pub is the hub

To buy or not to buy?

Community Ownership Advice Checklist and Case Study



When a pub is up for sale and a community is faced with losing its local pub there are many points to consider before making the decision whether to try and buy the business.

With around ten years' experience in advising communities who have considered this issue, here is a simple checklist written by our advisors to help make this crucial decision:

1. **Generate publicity** to attract interest from the local community and any other stakeholders for the pub (suppliers, customers, other local amenity providers) - and hold a general public meeting.
2. The community must **set up a committee** of residents that have a range of business experience and appoint a chairperson who has the time and the drive to see the project through.
3. The committee must prepare a viable five-year **business plan** to demonstrate viability that can be used in any funding application or, for use in opposing an application for a change of use where business viability may be the reason. Consider using the premises to diversify and extend the business to provide other essential services for the community such as a shop, café, library, or digital skills services.
4. Establish **regular communication** about progress for the initiative - social media (Facebook, Twitter, LinkedIn) is vital, along with regular village meetings, newsletters, eNews and articles in local media.
5. A **professional survey** needs to be prepared of the building to establish the cost of any immediate repairs and separately the cost of any potential improvements.
6. Commission a **professional valuation** to be done by a valuer with local knowledge and experience of the licensed trade.
7. A decision should be made early about the **structure** of the vehicle to be used to buy the pub. (See our downloadable information pack on our website for guidance.)
8. Get **legal advice** and appoint a firm of lawyers with experience of the licensed trade.
9. If there is an outstanding planning application for a change of use (vis to residential) appoint a surveyor with pub experience to **challenge the planning application**.
10. Apply to register the pub as an **Asset of Community Value** with the local council.

11. Try and find out about the **trading history** of the pub: the details of previous rents, how many tenants there have been in recent years, previous turnover levels, was it the trading concept that caused the pub to fail? A previous tenant may be prepared a signed statement about the history of the pub with regard to rent, turnover and why he left the pub.
12. Secure a **valuation of the trade furniture, fixtures and fittings** which the incoming licensee will be asked to pay for.
13. If appropriate approach the Parish Council to make an application to the **Public Works Loan Board** for a loan to buy the pub.
14. It may be necessary to launch a local appeal for **other funding options** and will require a separate team focussed entirely on the different options available - share issue, community fundraising events, applications for loans, applications for sponsorship, applications for grants etc.
15. **Find a tenant** with previous experience to agree to a business plan to operate the pub on a 10-15 year free-of-tie lease on fully repairing and insuring basis.
16. Carry out a **household survey** to gauge support for the venture and to establish what the community would like the pub to offer in the future.
17. **Visit all the local competition** to find out what the other local pubs already offer so that the new concept can be tailored to complement existing businesses and not directly compete.
18. Prepare a schedule of the **rateable values** of local competition to see where the property in question fits in and to establish the principal competition.
19. Identify and **visit at least one existing community-owned pub** to hear the experiences of that community in setting up their venture so as to avoid any pitfalls.
20. Consider **membership of the BII** (British Institute of Innkeeping) for essential training, purchasing deals, business planning advice and so on.

Professional and Practical Tips from Green Dragon, Exelby, North Yorkshire

1. Right from the start keep open lines of communication, newsletters, email groups Facebook etc etc. There can never be too much communication.
2. Keep all messages positive, even when there are problems to overcome - we all want to hear success stories not tales of woe!
3. Ensure your Management Committee comprises "doers" (not just those with the loudest voices!), keep meetings focused, minuted and maintain a running to-do list. Ensure there is a skills balance and be inclusive. Everyone should have a role / job to do.
4. Remember that you are accountable to your community - engage people through surveys and public meetings together with getting out and talking to people. Create a buzz.
5. Have a robust, open recruitment process to appoint tenants and involve your community in the process. Remember that

you don't have to appoint from the pool that you first have available - you can always try again rather than make a terrible mistake! Ensure that your ethos is matched and maybe stretched but always with a sound business plan in support.





6. People want to get involved in all kinds of ways, practical leaflet delivery, skills such as woodworking, gardening and painting. Think about combining events - put something onto occupy the kids freeing up adults to do other stuff - last year we had Magic Matt the Magician whilst work was carried out on the B&B rooms for example.
7. Make friends with local decision makers and influencers e.g. MPs, Cllrs, PCLlrs, local businesses, CoC and more widely look at the help that is available from Pub is The Hub, More Than a Pub, Plunkett, Locality, CVS etc.
8. Embrace the diversity of your community, it's not going to be just a place where a couple of regulars go to play dominoes although they are more than welcome to do so. For example, we have lots of local groups coming together to do their thing - last night there was a well-attended talk on Bonsai at the same time as a residents' meeting from a neighbouring village and the regular Monday Pie Night. Today, metal detectorists are scanning the grounds and the Dragons Women's Group is having its weekly meeting and crafting session.
9. Ask people what they want and regularly seek feedback and don't forget to tell people what you have done when you have done it.
10. Keep a look out for local opportunities to help people come together and address what is important to them in a safe, warm and welcoming space.
11. Always remember that what you have created is owned by the community for the benefit of the community and that communities are increasingly diverse today.

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