

BLACK LION COMMUNITY UPDATE

Plunkett Foundation Membership

The steering group has been successfully approved as a member of the Plunkett Foundation, successful membership being based on the results of our community consultation.

The Plunkett Foundation offers a wealth of knowledge and expertise for community groups looking to buy their local pub. We've arranged a meeting with one of their representatives, who will guide us through the many steps needed to realise our vision.

Further information is available on their website, www.plunkett.co.uk

Community Vision and Future Potential

- Purchase the pub as a community asset and refurbish and improve the pub as a fit for purpose pub/hub venue, serving good quality drinks and food for the village and a destination pub for the wider community, with additional services as a pub/hub.
- See the pub operated independently by a tenant who shares a vision for a successful village and destination pub also serving as a community hub for the village and surrounding area.
- Restore the essential elements of village life that a vibrant pub can bring and in turn support the local economy, provide local jobs, sustainability and the future of the pub whilst being self-determining.

Consultation Results

Thanks to everyone who returned their completed questionnaire. We've had a very good response rate, with 150 households replying over the two-week period.

Here are some top level results:

98 households replied from Skelton-on-Ure. There are 135 households in the village.

85% of replies thought that a pub/hub in Skelton-on-Ure was either "important" or "very important".

Top 5 additional services the community would most like to see the pub/hub offer:

Catering (evening and lunches)	109
Cafe	97
Bakery and local supplies	78
Social and special interest groups	74
Family-friendly area	65

Top 5 types of catering the community would like to see from the pub/hub:

Sunday Lunch	105
Saturday Evening	80
Saturday Lunch	71
Weekday Evening	71
Weekday Lunch	54

Community Benefit Society

Most Community Pub/Hubs have been advised by the Plunkett Foundation (experts within community pub sector) to register as a **Community Benefit Society**.

Community Benefit Societies are regulated by the Financial Conduct Authority, based around a co-operative legal framework.

A CBS is a legal model which emphasises the social benefit of the investment we are asking future members to make.

Incorporation gives the members and directors the protection of limited liability, just like a limited company. Crucially, unlike a company, a Community Benefit Society is designed not to generate private profit, but to deliver a community benefit (though we intend that investors will receive a fair return on their investment).

This model guarantees that the assets (pub buildings & land) the society owns will be used for the benefit of the community, and cannot be disposed of for the private profit of the directors or members.

Investing in community shares engages communities in a virtuous circle where it is in their interests as members and investors to be active as customers, as supporters, and as volunteers.

This business model is tried and tested elsewhere. There are now over 146 community pubs across the UK that have been opened over the past eight years. Locally the **Foresters Arms** in Coverdale, the **George and Dragon** in Hudswell, **Green Dragon** in Exelby and **The Travellers Rest** in Skeeby have been established on this basis.

So far, none of the community pubs that have adopted this model have closed and all are thriving. The George and Dragon in Hudswell was chosen by CAMRA as their UK Pub of the Year, demonstrating that this business model of pub ownership can lead the way, competing effectively with pubs owned by pub companies, brewers and private individuals.

A community pub/hub would ideally be leased to a tenant who would run the pub in line with the community vision. The tenancy rent would be set at a level that gives the tenant the opportunity and incentive to run and invest in their own profitable business (drinks, food and accommodation sales) while providing the community with the revenue to maintain the fabric of the building and land, pay a modest rate of interest to shareholders and to help fund the withdrawal of shares from time to time.

Black Lion - Asset of Community Value

We've had some excellent news: the Black Lion has successfully been nominated as an Asset of Community Value.

To put this initial success into context, Harrogate Borough Council have received 30 ACV nominations since 2014. Including ours only 5 have been successful. Pubs account for 13 of those 30 nominations, only 2 pubs including ours have been successful.

What does this mean?

If Admiral Taverns want to sell the Black Lion, they must contact the council who will then notify our community steering group.

Our community steering group then has the opportunity to register its interest as a potential bidder, this triggers a six month moratorium period during which, subject to certain exceptions, Admiral Taverns can only sell the Black Lion to the community interest group. However, Admiral Taverns can still enter into discussions with other potential buyers during this 6 month period.

Our community steering group would have a six month grace period to write business plans, viability studies, apply for funding, formulate community share offer and decide whether to make a bid.

After the six month moratorium period Admiral Taverns can sell to whomever they choose.

Admiral Taverns have 8 weeks to appeal the successful nomination of the Black Lion as an Asset of Community Value.

How does the village fund the purchase?

- **Community Shares (individual and business)**

Share purchase allows individuals to become members of the Community Benefit Society. Open and voluntary membership, giving members part ownership of the community business. Ownership is on a 'one member one vote' basis rather than 'one share one vote', preventing any one person having overall control of the business.

Most Community Pub Shares have been set at £250 per share, and multiple shares can be purchased. A Community Benefit Society has the power to pay interest on members' share capital.

- **Donations from village and local community.**

- **National Lottery Funding**

- **Other regional & national funding initiatives**

- **Government Funding through the Community Ownership Fund.**

The Community Ownership Fund is a £150 million pot of funding specially aimed at community groups like ours to help fund the purchase and refurbishment of community assets such as pubs.

Initially **£250,000** of matched funding and **£50,000** of unmatched funding is available. What this means is that in order to receive up to £250,000 of funding from the Government, we as a community (both the village and wider area) would first raise up to £250,000 from the share scheme, donations, National Lottery, and other funding providers.

Where from here?

1. Additional meetings with Plunkett Foundation Consultant.
2. Share pledge document distribution - allows you to indicate a 'pledge' of potential financial interest so a fully costed share prospectus and business plan can be produced.

No money is necessary at this stage.

3. Website and Facebook page launch