

Save The Thorold Arms

Inside – all your questions answered!

PUBLIC MEETING

23rd April at 4pm in the Village Hall.

Come to the public meeting that launches the share offer

Meet the committee and see the plans 4.30 - 6pm

All welcome – whether you plan to invest or not!

Share offer closes 31st May

STOP PRESS

How much has the value of your house fallen since the pub closed? All home owners have lost thousands... See inside for a local Estate agent's view

STOP PRESS

The Receivers have put a deadline of the end May to receive our offer or they will send it to auction.

Please invest or risk losing the pub forever!

Save The Thorold Arms FAQ

What's going on with The Thorold Arms?

The pub and shop has been closed since last year and since there has been no interest from outside to reopen it, the villagers of Hougham and Marston have decided to try to take it into community ownership and reopen it as a pub, shop, café and B&B.

What's happening now?

The committee will be ready to launch a share offer to the residents of Hougham and Marston at a public meeting in the village hall at 4pm on the 23rd April, we will need all investments in place by May 31st

Why the hurry?

The pub is in receivership and the Receivers have set us a deadline for a fully funded offer of the 31st May. If by that date we can't present an offer at a price they accept they will put the pub up for auction, we might lose the chance to buy it forever.

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 process, visiting other successful community owned pubs, setting up a Community Benefit Society (CBS), getting the pub formally registered as an Asset of Community Value (ACV), opening a bank account, getting building plans drawn up and refurbishment work costed, making a business plan, talking to the Grantham Journal and the BBC, setting up the website and dealing with the Receivers.

So far it's been a lot of bureaucracy and paperwork and now it's all in place so we can get on with buying the pub!

What is community ownership?

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

Having taken lots of advice, in our case the organisation will be a Community Benefit Society (CBS) that is the legal entity that will own the pub and that we will buy shares in.

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 Sky TV.

Somewhere to get a beer without risking driving over the limit – if the blood alcohol limit is reduced 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.

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 last year 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 last year's 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

Will this have an impact on house prices?

Even if you don't plan to use the shop, café or pub you should invest to enhance your house price...

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.

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?!

Ironically if you're planning to move out, you should invest, that will give you a fast payback!

Why should I care?

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 the villages and as we have a ageing population, with many residents living by themselves, 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.

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

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/>

And here is more interesting research on "The Role of the Public House in Sustaining Rural Communities"

<http://eprints.lincoln.ac.uk/11852/>

And this from CAMRA "The Role of Pubs at the Heart of the Community"

<http://www.camra.org.uk/documents/10180/36197/Friends+on+Tap/2c68585b-e47d-42ca-bda6-5d6b3e4c0110>

And anyway, with no pub or shop, how else would you be able to keep up with the gossip?!

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

The shop, café, pub will be owned and run by the residents of Hougham and Marston for the benefit of residents, not on behalf of a national pub company or one family. If the business gives us what we need then we're far more likely to use it than in the past and it will generate more sales.

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

Our aim is to buy the pub with little or no debt – that's why we need as many residents to invest as possible.

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 the costs for the CBS

The aim is for long-term sustainable success so we are not dependent on a new owner every few years.

Aren't rural pubs doomed anyway?

While there is plenty of bad news about rural pubs and shops closing down, the outlook for community owned facilities is much brighter.

There are already over 330 community owned shops in England and over 40 pubs – so far as we know none have closed once they have passed into community ownership

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.

Our CBS is The Thorold Arms Community Benefit Society Limited - registered by the Financial Conduct Authority (FCA) number 7295.

Why is the pub in receivership?

The previous owners bought the pub with a large mortgage, we believe that the financial burden of having that much debt made the job of running a successful pub very difficult.

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 just 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 1400 pubs listed as an ACV in England and that number is growing.

Why should I invest?

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

Who is on the committee?

Ian Tyler, Chairman	idityler@yahoo.co.uk ,	07710 978668
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Sandra Allen	sl.allen@hotmail.co.uk ,	01400 251314

Committee members all live in Hougham and Marston and have been here for between 1 and 30 years, please feel free to contact us directly with any comments or questions

Will the committee make money out of this?

No. 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 asked for volunteers last year and everyone who came forward was 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 either the EIS or SISR scheme which if successful may make your investment qualify for tax relief, more detail will be in the prospectus launched on 23rd April

How do I get my money out?

You will be able to apply 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 one time. Please read the share prospectus carefully so you understand all the terms

Can I buy shares for my children/grand children?

Yes, please do!

Has anyone made this work?

There are many case studies for example we have visited the Anglers Rest in Bamford

<http://www.mirror.co.uk/news/uk-news/villagers-who-bought-beloved-local-4042546>

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 grant of £2000 towards the costs of developing our plan. They are also helping us apply for further grants from the "More-than-a-pub" fund

What is the "More-than-a-pub" scheme?

More than a pub: The Community Pub Business Support Programme is a unique two year programme established to help support community ownership of pubs in England. Its value is £3.62 million and is jointly funded by the Department for Communities and Local Government and Power to Change.

<https://www.plunkett.co.uk/more-than-a-pub>

The good news is that we have just been accepted onto the scheme, this means once we've bought the pub we'll be able to apply for financial assistance of up to £75,000 as a loan and £75,000 as a non-repayable grant

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 around the same as the average house price in the villages – around £350,000 to £400,000.

The share offer will come out on the 23rd April and to proceed we will need to raise a minimum of £250,000 by the 31st May.

What happens if the share offer doesn't raise the £250,000 to proceed?

All funds will be returned to residents in entirety, less a small bank transaction fee. The Receivers will then put the pub up for auction.

How much can I invest?

An individual can invest from £50 to £100,000.

Could I lose my money?

Like any investment there is risk involved, however the property is the asset of the CBS and in the event the business was unsuccessful it could be sold to recover money for the investors. This would be a decision made by the majority of shareholders.

What about parking?

The use of the pub will be spread out during the day, in it's heyday parking was manageable we don't expect here to be any parking problems.

Is there going to be a Post Office?

The Post Office don't want to give us that facility.

Who is going to run the pub?

The plan is to hire a professional management couple who will live over the pub.

What beers will be on sale?

What beers do you want?!

Can I buy my daily newspaper, bread, milk?

Yes, and more depending on what residents want.

When will it reopen?

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

What happens if the receivers reject our offer and it goes to auction?

If we have raised the target of £250,000 we will try to buy the pub at auction

What will the opening hours be?

We would expect to be open from 7am for early birds to buy their paper and be open throughout the day until closing time at 1030 or 11pm . There will be published opening times that you can rely on!

Who else might buy it at auction?

The Receivers have told us the “someone will buy it” at auction even if it’s subject to tricky planning permission – so a builder might try to buy the pub to turn it into residential.

It would be difficult for this to happen as SKDC would be very reluctant to permanently remove the pub from the village. The worst case if we miss out is that someone tries to get planning permission to build housing, residents would object and the whole process drags on for years, in the meanwhile the pub would get more and more run down.

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

We expect 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.

Have there been any offers to buy the pub?

We have been told the only offer was from a builder wanting to build housing on the plot. The receivers turned them down

Why won't a national pub company buy The Thorold Arms?

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

Is Ian Tyler buying the pub?

No! Ian is the Chairman of the committee and plans to be one of the investors alongside the residents

What will the interior look like?

It depends how much money we raise. Plans of the possible new internal layouts will be included with the prospectus, available at the village hall on the 23rd and on our website

Will the outside be refurbished?

The pub is an eyesore at the centre of our villages and it will be renovated and redecorated outside if we manage to buy it

Will my neighbours know how much I've invested?

No. There will be a public register of shareholders but the amounts will be confidential

Can I invest if I don't live in Hougham or Marston?

Yes please do, we welcome all investors!