



**Business Plan for the Purchase and
Establishment of
The White Lion, Ash as
a
Community Owned Pub**

Executive Summary

This business plan presents a proposal for the operation of the White Lion, Ash Magna, as a community-owned pub. The existing pub's operating arrangements will be developed and diversified to deliver our vision:

'To create a central focal point for village life which is welcoming for all ages and which will offer a range of activities and events to enrich village life and the wider community'.

Bringing the White Lion into community ownership will help ensure the success and sustainability of the business and will enable the community to develop the facilities to meet their needs and to maximise opportunities to create a community hub with the village hall, bowling club and tennis court. This is intended to safeguard these facilities by retaining and strengthening a vibrant, economic heart to the village.

To enable the purchase and operation of this facility a Community Benefit Society has been formed, known as The White Lion Ash Community Pub Limited, and is a form of co-operative.

Registered with the Financial Conduct Authority, our target is to raise £370,000 to cover the purchase, refurbishment and operating costs of The White Lion.

Capital to purchase the building (freehold) and update the premises will be raised through a community share offer. The minimum shareholding will be £250, with the maximum individual investment £25,000.

Purchase of shares will confer 'membership' of the co-operative, giving members control over the business through the election of a Management Committee and voting rights on significant issues at regular meetings. All members will have a single vote, regardless of the size of their shareholding.

Once purchased by the community the aim is to keep open the White Lion, and initially to only carry out essential refurbishment and redecoration to the public areas and staff living accommodation. Early priority will be given to developing and improving the current kitchen facilities so that food can continue to be served.

Medium to longer term works would be paid for from the trading surplus, grant funding and volunteer input as appropriate. Such works include refurbishment of the seating areas, the toilets, plumbing and heating, electrics and development of the garden area.

A marketing strategy is presented which will increase usage by local people, visitors staying in the area, and day-trippers.

A risk analysis has been conducted. The high-impact risks would be failure to raise the requisite capital for the purchase, insufficient usage, or increases in operating costs exceeding income.

2.

The White Lion

Ash Magna, a small village near Whitchurch in North Shropshire, England, close to the county border with Cheshire and North Wales. Ash Magna and the adjoining hamlet of Ash Parva are collectively referred to as Ash or Ash Villages. For the purposes of this business plan they will be referred to as Ash. This is a predominantly rural, farming community surrounded by green fields and smaller villages and hamlets with many isolated farms and houses.



Ash is situated in the Whitchurch South electoral ward. It is two miles from the attractive market town of Whitchurch where there are a number of supermarkets, high street shops and pubs. Whitchurch Railway Station is an approximate 40 minute walk along rural roads. There is very limited public transport.

The White Lion is a free house located in

Ash is situated in the Whitchurch South electoral ward. It is two miles from the attractive market town of Whitchurch where there are a number of supermarkets, high street shops and pubs. Whitchurch Railway Station is an approximate

The village school, post office, blacksmiths and shop have all closed. A mobile library visits fortnightly, parking outside the White Lion. Situated adjacent to the pub are the village bowling club, village hall, children's recreation ground and tennis court. None of these facilities are licensed and the White Lion has historically provided the refreshments for local and visiting bowling teams and for events held at the village hall.

The pub dates back to the late 1760's and is a two storey detached building situated in the centre of the village. The customer car park is to one side with parking for 14 vehicles. There is a large garden with 3 outhouses to the rear of the pub but this is currently not open to customers of the pub. The ground floor consists of a traditionally presented tap room and a separate lounge. Food is served in both rooms. Each room has a 1930's style open fireplace and in the middle of the pub is a traditional 1930's bar that serves both rooms. It is a traditional rural pub, with no TV, piped music or juke box.

The White Lion is currently open Monday to Saturday evenings from 6pm to midnight., Saturday and Sunday lunchtimes 12 to 2pm and Sunday evening 7 to 10pm. Meals are served 5 evenings per week and are extremely popular due to the varied and excellent meals cooked by the current landlady.

The two nearest pubs are the Combermere Arms at Burleydam and the Olde Jack in Calverhall, both over 2 miles away. The Combermere is a successful 'gastro pub' and the Olde Jack also serves food. The White Lion and these two pubs co-exist and provide a different and complementary offer without having a major impact or competition currently or for the future trading of the White Lion.

The White Lion hosts the Ash Book Club and holds weekly bridge club sessions. Locals regularly meet to play darts or dominoes and the pub has a long history of running events that have raised thousands of pounds for local charities. Sadly, these have declined in recent years although the annual horseradish sauce competition remains a popular fixture in the diary.

3.

This business plan has been developed to support the purchase and **The Business** operation of the White Lion Public House in Ash. The Community Pub will transform the White Lion into a thriving, viable and sustainable

Plan

business owned by shareholders and run for the benefit of the communities it serves. of the communities it serves.

Section 1 – Executive Summary	Provides a one page summary of the Business Plan.
Section 2 – Introduction to the White Lion	Background information about the White Lion.
Section 3– The Business Plan	Sets out the purpose and structure of the Business Plan.
Section 4 – Local Context and Background	Gives more detail about the context for the project including the history and development of the project to date, background to the local area, community consultations and need for the project.
Section 5 – The Vision, Aims & Objectives for The Project	States the overall vision for the Community Pub and explains the underlying aims and objectives and how these will support the local needs identified in Section 4.
Section 6 – The Project Proposals	Explains the plans for the new Community Pub in more detail, including capital costs and implementation plans.
Section 7 – Building and Renovation	Looks at the main costs of repair, renovation and conversion.
Section 8 – Marketing plan	Outlines key activities to encourage use of the facilities.
Section 9 – Management and Operation	Describes the management and operating plans for the facility following opening.
Section 10 – Financial Forecasts	Summary revenue forecasts for the operation of the Community Pub.

Section 11 – Risk Analysis	Identifies the key risks associated with the project, with avoidance and mitigation strategies designed to prevent and minimise each risk assessed to be a significant threat to the project.
Section 12 - Links and Contact Information	How to find out more.

Community ownership will safeguard the services and facilities currently offered at the White Lion and build on these with increased opening hours and daytime usage that will provide a place for people to meet, eat and/or drink in a venue that is welcome to the whole

3.1 Structure of this Business Plan

This business plan sets out the proposals for the realisation of this community facility. The plan is divided into the following sections:

Local Context and Background

This section explores the local history and context for the project. It details the local census area statistics, which give a sense of the local demography. It goes on to outline the current difficulties associated with operating a business within the village and explains the various consultations and community involvement in the development of plans for a new facility.

4.1 The Background to the Project - A loved Pub

The White Lion has served the villages of Ash and surrounding areas for 250 years. It is a freehold business and has been successfully run by the same owners for the past 24 years. Despite the pressures experienced by many other rural pubs across the country the White Lion has continued to operate and trade successfully not least because of its local support and customer loyalty but also through the tremendous expertise and reputation for good food provided by Margarete Bentley, the current landlady.

The pub was put on the market in 2013 but has failed to attract a buyer. As a result, the owners of 24 years – Roger and Margarete Bentley took the decision in August 2017 to 'close the doors' on 31 December 2017.

Such action would inevitably mean the loss of a focal point of community life. In response to the planned closure an

initial group of concerned villagers was galvanised to begin discussions about how to prevent the permanent loss of a pub in the village. These discussions concluded with the formation of a steering group to explore the options.

The first step was to see how much support there was to 'Save the White Lion' and a questionnaire was issued to households in the village and surrounding areas, and also made available to visitors to the pub. The results demonstrated overwhelming support to keeping the White Lion open and every respondent said it was 'very important' to have a pub in the village.

69 completed questionnaires were returned from an estimated 150 distributed, representing a 46% response rate, high for such initiatives. There was

pub support to the retention of a pub which serves food, with respondents signalling support for bar meals and a weekend carvery, with food available through the week. Many respondents signalled interest in purchasing shares, supporting fundraising and/or making a donation or a loan. Several offered specific support including Pub Management expertise, Catering skills, Graphic Design and Marketing and Decorating.

This provided a level of confidence to the steering group to develop a plan to raise funds to save the pub and this was presented to a public meeting on the evening of 26 October 2017, attended by c70 local residents. Again, there was overwhelming support from those present and in subsequent 'pledges' of support which, within a fortnight, had exceeded £120,000 in value against a proposed target of £370,000 which would enable purchase, fees, refurbishment and setup costs.

The Steering Group has also received considerable input and support from the Plunkett Foundation through its More than a Pub programme, including £2,500 bursary support to cover initial costs. As a result, we are now in a position to present this Business Plan and Share Offer with the intention of ensuring that the White Lion will be a viable and thriving village amenity and community asset in perpetuity for current and future generations of the community.

At the time of writing the pub remains open and, providing the community can raise the funds to complete purchase, the current owners will continue trading through to completion and takeover of the business.

4.

Local Context and Background *Continued*

4.2 The Local Community

The villages of Ash Magna and Ash Parva are situated in a beautiful part of North Shropshire. Situated on a glacial ridge, they command magnificent views across Shropshire and of the rolling Welsh hills. Three local nature reserves are of international importance, whilst the area is popular with cyclists, walkers and caravanners due to its location within the Shropshire Meres and Mosses area. A touring caravan site is located within one mile of Ash.

The village is a very special place, with exceptionally strong community cohesion. There is a thriving Village Hall and a large, active and highly successful Bowling Group, with many activities centered around the White Lion.

Census data (2011) indicates that Whitchurch Rural Parish (Ash and Tilstock) is characterised by:

- Fewer young people compared to the national average (20% of the parish population were aged 0-19 compared to a national average of 24%, whilst 17.5% were aged 20-39 compared to a national average of 27%);
- More older people compared to the national average (32% were aged 60 or over, compared to a national average of 22%, and 6.3% were aged 80 or over, compared to a national average of 4.7%);
- There was a very small black and ethnic minority population (1.2%) compared to the national average of 14%;
- Over 70% of the population identified themselves as Christian;
- 94.5% of households owned a car;
- 10% said that they felt that their day-to-day activities were limited a lot due to health problems or disability, higher than the county and national average.

At the time of the 2011 census, there were 605 households in the parish, of which approximately a quarter (c150) were in the communities of Ash Magna and Parva, Catteralls Lane, and located within one mile of The White Lion pub. The average household

46% of households were owned outright, with a further 34% owned via a mortgage or a loan not yet paid off. Other households were typically privately rented or social housing. 61% of dwellings were detached.

Unemployment rates, at 1.8%, were significantly lower than the county average of 3.3%. 41% of the employed population worked in standard occupation classifications 1-3 (managers, directors and senior officials, professional, associate professional and technical). 18% were selfemployed, significantly higher than the national average.

More recently, Ash has seen some modest property development, bringing a small number of younger families into the village.

Whilst pubs in general, and particularly those in rural areas have struggled to remain sustainable over recent years, there is a strong legacy at The White Lion and a solid core of community support in Ash and the surrounding communities, which we believe can be retained and further developed through enhancing use of the White Lion as a community asset.

This is not to be complacent, or to deny that the business environment is challenging. We believe, however, that opportunities present to both provide a greater range of local services at a reasonable cost and to supplement the 'core' services of a pub with additional community support services and events. In doing this, we are committed to working closely with other community groups such as the Bowling Club (which receives visiting teams at least 3 times a week from April through October) and the Village Hall, both located within 100 yards of The White Lion and sharing car parking facilities.

size was 2.5, generating a population of c375 for the villages of Ash.

4.

4.3 The Current Position - Developing a Sustainable

Local Context and Background - *Continued*

Business

It is challenging for any business to survive in a rural location with an unexploited market and it has become clear during the development of this business plan that the support of local people is essential to ensure the continued viability and sustainability of the White Lion. The village is fortunate in having a strong sense of community with a number of groups and active volunteers committed to developing the pub alongside the other village amenities to offer a vibrant and socially inclusive community hub.

The Community Pub will support the local economy, providing local employment, as well as supplying local produce, goods and services, supporting local food producers and other service providers. An increased range of services provided and extended opening hours will help attract visitors to the pub and support new groups and events.

To progress this proposal, the Steering Group set up in the wake of the announced plan to close the pub have:

- Set up a legal entity, known as The White Lion Community Pub Limited;
- Opened a business bank account;
- Consulted with the community via a questionnaire and public meeting held on 26 October 2017;
- Sought pledges of support during November 2017 and, as of 21st November, 2017, had received pledges amounting to £140,000 from over 60 people;
- Commissioned an independent valuation of the White Lion and agreed a sale price with the current owners and their agent;
- Commissioned a full structural survey of the pub to inform refurbishment priorities;
- Had media coverage from the Shropshire Star and Whitchurch Herald newspapers and from Radio Shropshire (live interview);
- Established a Facebook page and a website;
- Revised membership of the Steering Group to establish a formal Management Committee that will take responsibility for the strategy, development and operational management of the White Lion;
- Applied to the Plunkett Foundation for a grant and loan of £100,000;
- With support from the Plunkett Foundation through its More than a Pub Programme, have made contact with and visited established communityowned

pubs to inform local plans and capture relevant experience;

- Sought advance assurance confirmation from HMRC that investors will be eligible for 30% tax-relief under the Enterprise Initiative Scheme (EIS).

The steering group has been strongly supported throughout by the Plunkett Foundation and has also received the active support of CAMRA.

LocalContext and Background - *Continued*

4.4 The Future

Pubs are not just providers of safe, supervised drinking environments; they are also a place for social interaction and bring together people of all ages, of all socio-economic backgrounds from around the area and further afield. They encourage social cohesion and communal activities.

There are many examples of villages that have saved their local pub by taking it into community ownership and offering a different business model. In all of these models the income from the business is invested back into the pub or other facilities or activities in the locality.

It provides the opportunity for community-led service delivery which will be based on what the community says it wants. We will look to increase daytime usage to benefit local groups and charities and open for refreshments, providing a place to meet as well as new services delivered in partnership with other organisations e.g. health and lifestyle services.

The White Lion is much loved by its regulars and appreciated by its visitors. It has the potential to play an important role in the lives of many more local people if it comes into community ownership. The positive impact on the community of a fully operational, thriving pub can be substantial.

For community shareholders, ownership of the White Lion provides an emotional investment in its success, a social reward knowing that the investment is being put to worthwhile causes as well as offering some small financial reward in the form of an annual return when business enables such.

As its custodians, the shareholders are buying into a community asset and the job of the Management Board and the team they employ is to make sure the White Lion is a real asset to the people who live here now and one that can be passed on to future generations of the community.

5.

Vision, Aims and Objectives

This section sets out the overall vision for the new Community Hub and explains the underlying aims and objectives for the project. These are linked to, and directly support the local needs & demand identified in Section 4.

5.1 Our Vision

‘To create a central focal point for village life which is welcoming for all ages and which will offer a range of activities and events to enrich village life and the wider community’.

5.2 Our Aims Objectives

1. To purchase The White Lion, Ash 1. To launch a share offer on 30th and undertake necessary November 2017 refurbishments to enable it to be

6.

Proposals

This section sets out our plans in more detail.

established as a community-owned asset

2. To establish management opportunities and

st December 2017 arrangements and open The White

Lion as a provider of good food and for the local community and

visitors

3. To ensure that The White Lion offers additional social, cultural and leisure activities and services which meet the identified needs and wants of

6. To secure sustainable management effective manner

and catering arrangements, overseen

4. To secure local support to the reality of community

White Lion as the

means of securing its future as a local pub

5. To establish a venue that can be community to establish cost-effective used for a wide range of purposes, in support of income generation

6. To support local residents and these into place through 2018 suppliers through the creation of jobs and sale of materials
7. To continue to work closely with the Parish Council, the Village Hall and the Bowling Club to coordinate the development and delivery of village services

8. To market The White Lion as a model community initiative and as a worthy destination for guests and visitors
9. To secure an annual profit, having taken account of all costs, which enables a dividend return to members

6.1 A range of services

The vision we have for the White Lion is for it to become a focal point of the community through the provision of various services including: -

As a traditional local village pub serving real ale and sensibly priced, locally sourced wholesome food. We want the pub to embrace the community and therefore provide food and facilities for the whole family. Themed nights

2.

To raise sufficient funds through this share offer to formalise our offer of

3. purchase by 31 To maximise grant

4. To complete the purchase of The

White Lion by 28th February 2018

5. To undertake necessary priority refurbishment as indicated by the the structural survey the local community in a cost-

8. To engage proactively with the local community to establish cost-effective used for a wide range of purposes, additional services and activities to be delivered from The White Lion, putting

would help to harness the talents in the community including music and folk nights, themed food nights and guest speakers.

Re-engaging with pub sports teams and leagues (pool and darts), providing refreshment to the village and visiting bowling teams, the weekly Bridge club, the village bookclub, having a regular quiz night and sponsoring local sporting events all of which would also help engage the community.

Build on the White Lion's long and successful history of charitable events including bread making, pies and horseradish sauce competitions, raffles and auctions. The monies raised will be used to support local charities and to improve village facilities.

The pub would serve the local community and visitor trade as well as supporting other local businesses (e.g. bed and breakfasts and the caravan site) by providing added reasons to stay and enjoy Ash and North Shropshire.

As a place to meet/daytime cafe for local residents who currently do not have anywhere within easy walking distance to meet and chat. This is particularly important for older residents who do not have access to a car and for the increasing number of young families in Ash. It would also support the continued provision of the mobile library by opening the café at the same time thereby encouraging more usage and reduce the risk of losing this service.

It could also offer internet access for people who do not have a provision at home.

There is currently no venue in the village for teenagers and young adults to meet and the White Lion could provide an occasional facility for a regular after school meeting place that could include traditional games and non-alcoholic beverages which would help to promote cohesiveness and a sense of community.

As a parcel and prescription drop off and pick up point which would be helpful to those members of the community who do not have easy access to transport or for those who are at work in the day.

As a shop selling basic goods – milk, bread, newspapers and local produce such as cakes and preserves.

As a resource for visitors we want the White Lion to not only to meet the needs of local people, but also embrace the visitors, walkers and cyclists who currently pass through the village, offering coffee and cake. The pub is situated near three sites of

Scientific Special interest (SSSI):- the Brown Moss Nature Reserve, Prees Heath and Molverley Farm. We believe that by offering good quality, reasonably priced food and providing a welcoming and attractive venue to walkers and cyclists we can build up a good outdoor clientele by word of mouth.

There are also a number of footpaths and bridleways that pass through or near Ash and we will work with the Whitchurch Walkers Group and local cycling groups to encourage a series of walking routes and cycling that can start or finish at the White Lion. This offer is supported by the availability of car parking where walkers can safely leave their vehicles for the day in return for custom & the provision of bike racks.

The White Lion carpark is adjacent to the Village Hall/recreation ground car park. Taken together these provide increased parking space for users of the pub and therefore the potential for a larger customer base and enable larger events to be held at the Village Hall, thereby increasing opportunities and revenue.

Proposals Continued

6.2 Community Ownership

We believe that the best way of achieving our aims for the White Lion is to buy it and operate it as a community pub for the benefit of the community. The best way of doing this is to form a co-operative which, through a share issue will purchase the pub for the village and members (shareholders) of the co-operative. A Community Benefit Society has been established as a legal entity **The White Lion Ash Community Pub Limited** to manage this on behalf of the community.

The benefits of this are:

As the building will be purchased as a freehold, the community will have the option to develop the range of services to meet their needs.

Given that proposed business is viable within its current form (see financial forecasts), additional services could be added

later at low risk. Suggestions include:

- Use

of the car park for other agencies to provide services e.g. Blood Transfusion

- Luncheon club/subsidised meals for the elderly.

6.

- The local community will own the building in perpetuity
- People will feel more committed to the facilities offered by the pub and other community facilities
- Establishment as a Community Benefit Society enables us to attract grant aid
- Purchasing shares may provide a modest annual return by way of interest payable to members and can provide tax benefits to investors.
- Farmers markets and craft markets on the adjacent car park*
- Open exhibitions for local artists
- Development of a micro-brewery*
- Outside catering*
- Philosophy Coffee Club
- Exchange of books/magazines
- Gardening club of volunteers to help develop the pub garden

- Tourist Information Point

We have asterisked those opportunities which, in our view, may offer particular scope for income generation, whilst other proposals, such as subsidised meals, would enhance the social impact of the Pub.

These opportunities will continue to be explored by the Management Committee, taking account of consultation with the community.

The membership will elect a Management Committee that will, amongst other things, advise the members as to whether profits enable interest to be paid to shareholders and at what rate.

There is a 3-year tie-in period associated with the shares in order to maintain level capital, and no interest would be paid to shareholders over this period to safeguard and establish working capital.

6.2 Share Issue

Capital for the purchase and refurbishment of The White Lion will be raised via shares. Details of this share offer are provided in the separate share offer document, accessible from our website savethewhitelionash.co.uk

The minimum cost of each share is set at £250. There is a maximum investment of £25,000 per member. Owning a share automatically entitles the member to having a say in how the community society is managed. Being a cooperative, each member will have one vote no matter how many shares they own.

7.

Building Renovation

This section sets out some of the key headings for repair, renovation and conversion costs. A survey of the building has been undertaken and the results of this have been incorporated into the costs. In terms of the building's condition, there are no immediate major items necessary other than items of routine maintenance (e.g. gutters) but in the medium to long term, allowances for major repairs and developments must be included below.

7.1 Immediate Work Required

The work that is required once the purchase is complete is minimal but includes:

- **Kitchen** - although the kitchen is adequate, a small allowance has been included for any priority improvements to ensure that food can be produced compliant to current food hygiene standards.
- **Bar area** - redecoration to make the area welcoming and attractive to villagers and target visitors.
- **Staff accommodation** - Installation of a new domestic kitchen in living quarters and general refurbishment of the staff accommodation to make it welcoming to potential candidates for the role of manager.

7.2 Short Term Work Required

The following are areas of work which would be addressed as soon as funds, potentially including grant funding or via volunteer input, allow:

- **Electronic till** - purchase and installation
- **Toilets** - work required to bring them up to standard
- **General repairs** - roof/gutters/windows/ external stonework and pointing

7.3 Medium to Long Term Work Required

Long term works will require a schedule which enables areas to be completed during quiet trading periods. Possible areas are:-

- **Kitchen** - enlarge and redesign and install commercial kitchen.
- **Electrics** - may need complete rewire
- **Plumbing and heating** - generally upgraded
- **Toilets** - develop a new toilet arrangement and install disabled access
- **Outside and gardens** - consider scope for development including use of land currently with planning permission for two semi-detached houses.

Currently none of these are urgent repairs and will be carried out as business surpluses allow. Although grant funding to purchase buildings is limited, funding opportunities are more available to fund repairs and we will continue to seek these funding opportunities to support these works.

8.

Marketing Plan

The marketing plan for the White Lion is based on three fundamental aims:

- 1. To increase the number of customers using the facilities (building the customer base)**
- 2. To increase the frequency with which customers use the facilities (building customer loyalty)**
- 3. To increase the value of each visit made (building customer value)**

The target market segments that we hope to attract through the marketing proposals are:

- **Local people**
- **The wider community**
- **Tourists, including those staying in holiday accommodation locally**
- **Day visitors to the area, particularly walkers and cyclists.**

In positioning the pub's offer, we will include the best from the traditional pub model and add those elements that are relevant to our locals, the wider community and that match our aspirations. We will also seek to secure placement in Good Pub guides, and to secure positive publicity, including Trip Advisor ratings.

Proposed methods for achieving the marketing objectives in the early days of operation of the business are outlined below. The marketing plan will be updated regularly in conjunction with the pub management team as the business grows and develops.

8.1 Increasing the number of customers

The first part of the marketing strategy relies on raising awareness of the White Lion as a new and revitalised Community Pub and the facilities on offer. This will be done through an extensive marketing campaign incorporating all forms of media including: **Print media**

Articles in the run up to the launch of the new facility will be placed in local print media, for example, the Shropshire Star and the Whitchurch Herald and magazines such as Shropshire Life and the Welsh Borders

Life publication. The aim of the marketing campaign will be to create awareness and interest in the facilities, by emphasising the community aspect of the project and our belief that this is the first project of its kind within North Shropshire. The ultimate goal of the activities will be to convert readers from a general awareness to an active interest in visiting.

We are proposing to invite local editors to the pub for a meal and briefing session.

Other opportunities to be explored will include running articles in special interest publications, particularly those for walkers and cyclists, two key target markets who are likely to be interested in

using the facilities. Developing a series of walks or bike rides as leaflets or booklet which take in the White Lion en-route (as well as potentially other local facilities) could help attract this user segment

TV and Radio

We will promote the successful purchase of the White Lion by issuing press releases and inviting local radio and TV stations to opening and ongoing special events using 'people stories' and social impact on the community to generate interest. Where necessary we will do this with partners e.g. charities and statutory organisations that have a role to play in developing and improving outcomes for those who live in rural communities.

8.

Marketing Plan Continued

8.1 Increasing the number of customers - *Continue*

Social media

Mirroring the print media campaign, the social media campaign will help raise awareness amongst a potentially different demographic to the printed word, generating awareness and interest amongst a younger, and more geographically diverse audience. Website articles (our own and other websites) will be used, along with twitter feed, Instagram, and our Facebook group. Specific marketing to special interest groups such as cyclists and walkers, and marketing emails directly to those who have expressed an interest in being kept informed about the project will be developed.

Local businesses, groups and clubs

We will seek to work with local businesses, groups and clubs to raise awareness of the project amongst their customers, users and visitors. This will be done through leaflets/posters within local businesses, and through giving talks and presentations to local groups. Local tourism businesses, particularly holiday lets, will also be important in advocating with their own customers to raise awareness of the facilities, and one way of achieving this may be to offer discounts/promotions as an incentive.

A member of the Management Committee is the designated lead for Community Engagement and will develop communityspecific engagement to shape plans to help counter the risk of social exclusion and to promote community cohesion. This could, for example, result in the establishment of dementia-friendly coffee mornings, or themed group sessions to promote social engagement.

8.2 Increasing the Frequency of visits

Creating a welcoming and attractive atmosphere

Having attracted customers initially through our door, our main marketing tool will be to attracting repeat visits. create a great impression and build a

positive reputation to encourage repeat visits. To do this we will offer attractive terms

satisfactory outcome for the customer.

Customer suggestions will be welcomed. A regularly changing food menu and drinks offer

Events & Activities A series of activities and events aimed at and conditions to staff and ongoing training engaging *all* sections of the local community, to enable them to provide a great customer as well as visitors will be developed, including experience. We want to secure and develop regular day and evening events (e.g. book staff who are excited by and keen to promote clubs, darts and dominoes competitions, our vision, and who will act as champions of quizzes, music nights) as well as larger one-off the Pub and the local community. events such as seasonal markets, speciality We will continually look to invest in the fabric food evenings and beer festivals. The events of the building to provide the kind of will complement other local events to benefit environment that our customers will want from the promotions and marketing carried out and expect. We will serve customers for those events such as the village produce promptly, with a friendly manner and any show, local hunt meets and the annual complaints will be dealt with to reach a Christmas 'Light up Ash'.

Marketing Plan *Continued*

8.2 Increasing the Frequency of visits - *Continue*

Promotions / Loyalty Cards

One-off promotions will be used to generate interest, especially at off-peak or traditionally quiet times. These will be developed in conjunction with the pub staff / management to gain their feedback and knowledge on the most appropriate form of promotion.

Loyalty cards for shareholders and regular visitors are being considered as a means of rewarding investors and loyal clientele.

Social Media

We will use Facebook, Instagram and Twitter as well as other social media to post notices of what is happening at the White Lion and will also use these to monitor and request customer views and feedback. Our website is will be kept up to date and provide news and links to attract customers.

Customer Feedback

We will establish a community consultation and engagement forum to seek views on plans and developments and also satisfaction levels with the services provided by the White Lion. These will be used to inform the Management Committee of progress and achievement against key performance indicators (KPIs) as well as published on our website.

Maintaining a watching brief on review websites such as TripAdvisor will also enable the pub management to respond to any negative reviews / comments quickly and directly, showing the wider potential customer base that we are engaged and committed to improving services.

8.3 Increasing the Value of visits

Increasing the facilities available

Currently the White Lion functions only as a pub business with limited opening hours and no additional facilities or offers for customers. This limits the revenue generation opportunities, as well as the visitors likely to enter the pub. By increasing the number of services and facilities we aim to attract a customer base, increasing the value of revenue generated from each visitor. For example, those that may not otherwise visit the pub may be encouraged to do so by first visiting as a customer of the cafe facilities or one of the proposed clubs or events and then converting into a customer of the pub through a better understanding of the facilities on offer.

Enhancing the availability of the Community Pub

One way to increase the value of each visit made by customers is to increase the amount of time spent in the facility; people popping in for a drink may be persuaded to stay for a meal or snack by prominently displaying an eye catching and tempting menu, whilst those passing or wanting to socialize visiting may be enticed after seeing a display of delicious cakes and smelling the freshly brewed coffee.

Newspapers and a second-hand books and magazine exchange can be used to encourage longer dwell times, and games and toys can help to create a child friendly environment, retaining family visitors for longer.

Good internet and Wi-Fi connections can also encourage visitors to stay longer, particularly those who do not have access to this elsewhere e.g. tourist visitors. Ultimately, creating a comfortable and pleasant environment, that meets the needs of the customer will encourage longer and more valuable visits.

9.

Management & Operation

This section describes the proposed management and operating plans for the Community Pub

9.1 The White Lion Community Pub Ash Limited

The community asset will be owned by The White Lion Ash Community Pub Ash Limited

(WLCPA) which operates as a Community Benefit Society, registered with the Financial Conduct Authority. We have chosen this legal model because it emphasises the social benefit of the project, whilst giving Management Committee members the protection of limited liability. As we are setting up a community business and will be trading as such, we have not sought charitable status. The purpose of a Community Benefit Society is to serve the broader interests of the community, operating on a one member, one vote basis.

The creation of the Community Benefit Society guarantees an “asset lock” that ensures the assets of the society can only be used for the benefit of the community and cannot be disposed of for the private profit.

The Co-operative rules have been approved by the Financial Services Authority and are available separately.

9.2 Management & Operation of the Community Pub

The strategic management of the venue will be overseen by WLCPA the which has been set up specifically for this purpose. Our intention is to establish a broad membership of the WLCPA drawn from

across the local community through the purchase of community shares. The members (shareholders) will elect a Management Committee at its Annual General Meeting.

9.3 Day to day operation

A general manager will be carefully selected to run the White Lion under the authority of the Management Committee and a nominated member of the committee will provide a point of management contact, leaving the community, through the shareholders and their appointed directors, to set the strategic direction.

The general manager will be expected to contribute towards the setting of the strategic direction and will be committed to, enthused by and keen to promote our vision. The general manager and the staff that work at the White Lion will be ambitious for the success of the Pub and its support to the community.

Detailed job descriptions, including roles and responsibilities for the general manager and staff will be agreed and will be available for scrutiny.

9. Management & Operation *Continued*

9.4 Social Impact

We want the White Lion to be commercially successful for its shareholders AND promote the wellbeing of those who use its services enhancing the quality of life in Ash and its surrounding community.

Our commitment is to develop of The White Lion in ways which are demonstrably responsive to the views and needs of the community. Our initial views have been fundamentally shaped by the outcome of questionnaire consultation summarized in Section 4, and further community consultation, whether through questionnaires, public meetings or engagement via website/Facebook groups will guide future development. We will also be informed by Council research reports on local needs, local charity perspectives, parish plans and census data.

Our vision is that the community gains benefit from The White Lion operating as a Community Pub. This impact is the core benefit we are seeking to achieve through purchase and community ownership of The White Lion.

In the questionnaire consultation the question was asked 'What additional services would you like to see the pub offer'? Responses in order of popularity were:-

- ● ● Pub Garden - 36 respondents
- ● Sales of basic produce/papers - 35
- ● Space for community groups to meet - 35

- ● ● Live music evenings - 21

- ● Games/Quiz evenings - 20
- ● Family friendly area - 19

In addition, individual respondents signalled support for darts evenings, dog-friendly areas, a quiet room and a big screen.

It is important to our shareholders and the community that we identify and measure this benefit and therefore a number of Key Performance Indicators are being proposed to reflect:-

- Evidential contribution to local economic growth (e.g., through local employment, local sourcing of supplies, providing a base for small business engagement);
- Improving local health and well-being (e.g., through tracking resident satisfaction measures, providing a base for local health checks, creating a dementia-friendly coffee stop);
- Strengthening community resilience (e.g., establishment of a community shop, promoting use of the mobile library through provision of coffee and cakes for users, establishing after school clubs, increasing the number of active community groups (Book Club, Bridge Club, Choir, Walking Group, etc).

Specific measures proposed at this stage are:-

- % of residents who say they have met and established friendships with other local people directly as a result of the community purchase of The White Lion (to be ascertained by survey in June 2018);
- The % of local residents who feel more involved in the local community (to be ascertained by survey in June 2018);
- The increased number of residents engaged in some form of local club, group or meeting at The White Lion (to be ascertained by survey in September 2018);
- The number of additional clubs or groups meeting at The White Lion on at least a monthly basis (to be measured in September 2018).

In addition, visitor satisfaction will be tracked, as will the number of return visits to the pub and engagement in activities, whilst we will also monitor the impact of the community ownership of The White Lion on local employment and investment in local produce. We will seek to work with charities and statutory organisations that have targets

relating to rural community and where relevant include their performance data.

The outcome and social impact indicators will be measured and reported in the annual report at the Annual General Meeting and reported via the Website.

10.

**Financial
Forecast**

This section outlines the projected costs of acquiring The White Lion and running it as a community pub, with anticipated income and expenditure forecasts for a five-year period following opening. This is consistent with industry standard revenues for a rural aspect pub.

Valuation & Survey	1,000		
Stamp Duty	4,000		
Solicitor	2,000		
TOTAL	297,000	TOTAL	23,000

The minimum needed to be raised is therefore **£320,000**. Allowing for a higher level of working capital to support refurbishment and set-up increases this figure to **£370,000**. Our current projections are that this can be raised by:-

More than a Pub Grant		£50,000
More than a Pub Unsecured Loan		£50,000
Share Offer		£220,000
Additional loans/grants or additional share income		£50,000
TOTAL		£370,000

10.1

There is no VAT payable on the purchase of the pub, and the fixtures & fittings are included in the purchase price.

10.2

The purchase price also includes outline planning permission for two dwellings in the garden at the back of the pub. At this stage we do not plan to pursue residential development, but will identify and review options for the best use of this land for the community

Summary The above table shows two options.

Both assume we are successful in our application to the Plunkett Foundation for a grant of £50,000 and a matched loan of £50,000 = £100,000 (The More Than a Pub programme - MTAP)

Option 1 The minimum target to be raised through shares is £220,000. Together with the MTAP funding this will enable purchase of the White Lion plus fees; initial priority refurbishment and a small amount of working capital (start-up costs) (£320,000)

Option 2 Through investment through shares we have a target of £220,000. The MTAP funding will provide an additional £50,000** i.e. £270,000. This will enable purchase of the White Lion plus fees; initial priority refurbishment and a small amount of working capital (start-up costs) (£320,000)

WHITE LION COMMUNITY PUB LIMITED - Capital Costs			
Option 2			
	£370,000	which will enable refurbishment and improvement plans to take place much earlier.	
Acquisition Costs	290,000	Working Capital	23,000
Freehold Purchase (No VAT)	290,000	Working Capital	23,000

10. Financial Forecast

10.3 Five-year income and expenditure forecast

The projections below are based on current trading figures, updated in line with the standard costs associated with a rural character pub, as published by the British Beer and Pub Association. The model is based on increased opening hours compared to the current limited opening hours, and income equally split between drinks and food sales, compared to the current trading model which relies mainly on food sales.

WHITE LION COMMUNITY PUB LIMITED - PROFIT & LOSS A/C

	Year 1	Year 2	Year 3	Year 4	Year 5
Net Sales per week:	3,365	3,465	3,570	3,675	3,785
Sales:					
Wet Sales	87,500	90,125	92,830	95,600	98,500
Food Sales	87,500	90,125	92,830	95,600	98,500
Total Sales	175,000	180,250	185,660	191,200	197,000
Less: Cost of Sales					
Purchases	70,000	72,100	74,264	76,480	78,800
Gross Profit	105,000	108,150	111,396	114,720	118,200
Gross Margin %	60%	60%	60%	60%	60%
LESS: Overheads					
Salary, wages & NI	50,000	51,000	52,000	53,000	54,000
Other overheads	24,860	25,350	25,900	26,450	27,031
Total Overheads	74,860	76,350	77,900	79,450	81,031
Earnings before interest, tax, depreciation	30,140	31,800	33,496	35,270	37,169
(EBITDA)					
Interest Expense - Unsecured Loan	4,000	3,318	2,582	1,787	928
Interest Expense Addition loan	2,000	1,631	1,247	847	432
Interest Payments	0	0	0	6,525	6,450
Depreciation charge (100%Cap Allowance)	50,000	15,000	15,000		
Total other costs	56,000	19,949	18,829	9,159	7,810
Operating Profit/(Loss) - Before Tax	-25,860	11,851	14,667	26,111	29,359
Other Income - Grants	50,000				
Corporation Tax	4,587	2,252	2,787	4,961	5,578

10. Financial Forecast

Net Profit(Loss) - After Tax	19,553	9,599	11,880	21,150	23,781
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10.4 Cash Forecast

An increase in turnover is anticipated based on increased opening hours and improved facilities at the pub.

WHITE LION COMMUNITY PUB LIMITED - CASH FLOW

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Profit(Loss) Before Tax	-25,860	11,851	14,667	26,111	29,359
Add back - Depreciation charge	50,000	15,000	15,000	0	0
Plunkett Unsecured Loan	50,000				
Plunkett "More Than a Pub" Grant	50,000				
Share Issue	220,000				
Additional loan	50,000				
Purchase of freehold Property & fees	-297,000				
Purchase of working capital	-3,000				
Freehold Improvements	-50,000	-15,000	-15,000		
Corporation Tax paid	0	-4,587	-2,252	-2,787	-4,961
Plunkett Loan Capital repayment	-8,523	-9,205	-9,941	-10,736	-11,595
Additional Loan Capital repayment	-9,231	-9,600	-9,985	-10,384	-10,800
Share Capital Repayment				-2,500	-2,500
Change in cash during period	26,386	-11,541	-7,510	-295	-497
Cash at beginning of period	0	26,386	14,845	7,335	7,039
Cash at end of period	26,386	14,845	7,335	7,039	6,542

10.5 Running Costs

The major fixed running cost is staffing, as the business model assumes employing a bar manager and partner, with additional part time staff. We hope to employ staff who have worked in the White Lion before and are known to the regulars, or who have good links with the community.

10.6 Loan Repayment

Loans are repayable over a 5 year period and will be reduced to nil at the end of the first five years.

11.

This section identifies the key risks associated with the project. The risks are

Risk Analysis

assessed according to the likelihood of occurrence and level of impact on the project should they occur. For those risks considered to be a significant threat to the project (those with a medium or high likelihood of occurrence and medium or high impact should they occur) a risk avoidance strategy has been developed, to prevent the risk from occurring and mitigation strategy also given, to reduce the impact of the risk, should it occur.

11.1 Analysis of the key risks to the project

- Lower than expected share capital raised
- Failure to attract sufficient customers to cover operational costs
- Budget overspends and Unforeseen cover operational costs operating costs or increases in costs
- Failure to offer a wide enough range of activities to attract users from across all sections of the community

The following chart plots the likelihood (L) of occurrence of specific risks, the impact that risk would have (both score on a range of 0-3, where 3 is the highest likelihood and/or impact), and the resulting score (S), which we seek to mitigate through our plans and actions.

Risks Scoring low (1) - High (3)	L	I	S	Mitigating Action
Lower than expected share capital raised	2	3	6	<p>We are focusing considerable effort in promoting the share issue and have adopted a community engagement and marketing plan.</p> <p>If we fail to reach our minimum target, investors pledges will not be drawn down so there will be no risk to individual investors but the longer-term future of the project will be jeopardised.</p> <p>Debt finance will be considered to the extent that it is affordable to plug any funding gaps should we fall short of the optimal amount but reach the minimum.</p>
Failure to attract sufficient customers to cover operational costs	2	2	4	<p>We are investing in improving the fabric and appeal of our building and will maintain a proactive approach to marketing the White Lion and services.</p> <p>We will avoid commitments to any non-essential overheads, and maximise voluntary input until we are confident the business can afford core staffing</p>
Failure to offer a wide enough range of activities to attract users from across all sections of the community	2	2	4	<p>Through consultation we have identified services and groups that the community want the White Lion to provide.</p> <p>We have a marketing plan and will continue to actively engage with groups and customers to the White Lion to ensure our offer meets needs and provides customer satisfaction</p>
Grant funding is not secured to undertake refurbishment and service development.	1	3	4	<p>We have incorporated very modest amounts of grant income in the projections and will not proceed with refurbishments and developments unless funding is identified.</p> <p>We have identified a wide number of sources of grant funding we can apply for once we have purchased the pub and these will be actively pursued.</p> <p>Meanwhile we have included an allowance for ongoing maintenance in the budget</p>

Departure of directors / key skills within the Management Board

1 3 4

The Management Board has evolved from the original steering group and the Directors have all agreed to take a key lead role to run the Community Benefit Society through its first year of operation.

We will continue to ask for expressions of interest from Shareholders who would like to join the Management Board and will advertise and recruit for particular skills as needed.

At the first AGM, all the directors will resign and the members will then vote to elect a new Board.

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12.

Links and Contacts

12.1 Further Details

Further information, including information on the share offer, details of the Management Committee, the rules of the Community Benefit Society and pictures of the White Lion can be found on the website savethewhitelionash.co.uk

12.2 Contacting the Management Committee

The Chair of the Management Committee of the Community Benefit Society established to purchase, develop and operate The White Lion as a communityowned pub is Judith Griffin, who can be directly emailed at judithgriffin@btinternet.co.uk

