

SAVE THE RAILWAY ARMS PUB BUSINESS PLAN

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1. Executive Summary

- In January 2017 the Railway Arms was closed by the owners Charles Wells Ltd. It was offered for sale by private treaty with continued licensed use or conversion/development potential.
- Save The Railway Arms Pub [STRAP], a campaign group with now over 160 members, set out to save the pub and lobbied the Town Council to nominate it as an ACV.
- The Railway Arms was registered as an ACV on 31 March. That triggered a six month moratorium to allow a community interest group the opportunity to raise funds and make a bid to purchase it.
- Having achieved its first objective, the members of STRAP agreed to go ahead and set up a legal entity to allow the community to raise funds and make a bid to purchase the pub.
- A public meeting was held in the town hall with over 130 attendees and the campaign received universal support for its vision and aims for the Railways Arms.
- The campaign has also achieved extensive publicity and support through the local press, leafleting, mail shots, its website, social media and a twice weekly presence at the Saffron Walden town market.
- The campaign applied and was accepted onto the Plunkett Foundation's "More than a Pub" programme. MTAP has supported over 90 communities to buy and run their local pub, including the George and Dragon at Hudswell near Richmond in Yorkshire that won CAMRA's pub of the year in 2017.
- The "More than a Pub" programme has provided the Society with financial support and, more importantly, the support of an advisor to provide direction and experience of helping other communities purchase their local pub.
- A Community Benefits Society ["the Society"] was registered by the FCA on 14 June 2017 for the purpose of offering shares to the community, applying for grant and loan funding and to be able to purchase the Railway Arms pub and, if successful, to manage it.
- The Society is governed by the Plunkett Foundation's Model Rules for Community Ownership where all members, irrespective of the size of their shareholding have a single vote. Members have a say in the way the Society and pub is run and appoint members of the management committee.
- As part of the transitional arrangements, the current management committee was constituted from the campaign's steering committee. All the members of the management committee will step down at the first Annual General Meeting at which they and any shareholding members can offer themselves to be [re]elected onto the management committee.
- Following a successful acquisition, the Society will become the owner and operate the Railway Arms on a managed basis to allow it to control and ensure the pub is run in accordance with the Society's aims and values and best meet the needs and interests of the shareholders, customers and local community.
- The guide price for the pub is £300,000 plus VAT [£60,000]. The final price will be determined by the number of bidders and the owner's willingness to accept a price on the basis that the Railway Arms continues as a pub. The owner may wish to only accept a bid from a property developer who would need planning permission for change of use. We feel that could be difficult given the strong business case presented here and the widespread support for a community owned pub.
- The Society intends to finance its purchase and development of the Railway Arms initially through:
 - ❖ a community share offer for between £200,000 and £250,000;
 - ❖ loans/ mortgage finance of up to £150,000 on commercial terms;
 - ❖ grants from charitable trusts and other organisations of up to £75,000;
 - ❖ a shareholding/ loan of up to £50,000 from a joint venture to run a micro-brewery at the pub.

- If the Society is successful in raising the funds it will have in the region of £450,000 to £525,000 to make a bid to purchase the pub, and if successful to invest between £100,000 to £150,000 to develop the pub and outbuildings to provide a useable space to extend the range of services and activities on offer to the community, local clubs, societies and charities.
- A pledge form campaign was launched at the public meeting in April to gauge the level of support for the community share offer and, to date, 160 people have returned pledge forms totalling £185,000.
- Shares would cost £50 each and the minimum subscription would be for 1 share. The maximum allowable subscription would be for 1,000 shares. It is proposed the shares will pay interest at a rate no lower than 2.5% above the Bank of England base rate. All payments would be made gross of tax.
- We are currently waiting for advance assurance from HMRC that the share offer will qualify for the Seed Enterprise Investment Scheme [SEIS] and Enterprise Investment Scheme [EIS]. These are government schemes devised to encourage investment in new enterprises and provide tax relief of 50% and 30% of the cost of investment per respective scheme to those buying shares who pay income tax.
- Shares would be eligible for withdrawal from the end of year 3, subject to approval of the management committee and on the basis that any withdrawal will not endanger the viability of the Society.
- The Society has been successful in applying to the Plunkett Foundation's "More than a Pub" programme and has been granted the maximum grant offered of £50,000 and maximum short-term loan offered of £50,000, subject to it receiving £200,000 from its community share launch.
- The Society is in discussions with Triodos Bank on securing a long-term [20 year] loan or mortgage of £100,000 secured on the freehold. The funds would be used with other funding to develop the pub and outbuildings.
- In addition to the Society's application to the "More than a Pub" programme for a grant, the Society is also applying to the Architectural Heritage Fund and other charities to raise a further £25,000 of funding.
- The Society is very keen that the pub will provide the community more than the usual pub offering. Additionally it wants to provide the community, clubs and in particular charities that help people with physical, learning and employment needs, with opportunities to meet and develop life skills, whether it be meeting or working in the pub, its gardens, a new community café/shop, or other community activities at the pub.
- The number of communities purchasing and running community pubs is growing and as far as we know, none have failed. Community owned pubs are run on a different business model to pubs owned by brewery and pub companies as they can be run on a low cost basis, making them more financially viable. A financial five year forecast is included below that demonstrates the Railway Arms is a viable option.

2. Background to the concept

Saffron Walden has seen six pubs close completely or change use in recent years. Two have become eateries, one a coffee shop, one a supermarket, one developed for flats and the future of the recently closed Victory, on Little Walden Road, remains uncertain. Nationally, CAMRA estimate 21 pubs close per week.

A recent article in the Guardian¹ highlighted “A revolution in pub ownership is gathering pace as more and more groups club together to buy and run their local, slowing the alarming pace of closures”.

A report from Plunkett Foundation, a charity that supports community-owned businesses, said these locally owned and run enterprises “are prospering where private enterprise has failed”.

The number of community owned businesses is relatively small, but is growing fast. In 1988 there was only one co-operative pub registered, and in 2004 there were just three. But the number had climbed to 46 by the end of 2016, hit 50 in June 2017, and is likely to reach 57 by the end of 2017, said the report. In many cases these were previously failing or defunct businesses, not a single community owned pub has closed, “maintaining an impressive 100% survival rate”, said the Plunkett Foundation.

After closing the Railway Arms at short notice in early January the owners, Charles Wells, put the pub up for sale. Whilst it is being offered to the licensed and leisure market, the sale particulars state that the site is also considered to have potential for conversion or redevelopment to other uses, subject to obtaining appropriate planning consents. Conditional or unconditional offers from developers will be considered by the owners.

Save The Railway Arms Pub [STRAP] held its first Annual General Meeting on Wednesday 15 February at the Kings Arms on Market Hill amid fears that this once popular local pub could be sold for development. The well attended meeting heard an update on Saffron Walden Town Council's nomination of the Railway Arms as an Asset of Community Value which is defined as 'land or a building' that has, recently had or could have in the near future, community value, 'in that it furthers the social wellbeing or social interests of the local community'.

The nomination was submitted to Uttlesford District Council on 6 February and the Railway Arms was registered as an ACV on 30 March 2017 triggering a six month moratorium preventing the owners from selling the pub, to allow local community groups to raise the money and place a bid to buy the pub under the Community Right to Bid.

Having achieved its first objective, members of STRAP instructed an expanded committee to:

- Investigate putting in place a legal entity to raise funds and make a bid.
- Put together a business case.
- Explore the level of interest within the wider community.

The committee first drew up a vision, set of aims and values to help define the direction and parameters the campaign should follow and produced the following:

Vision:

To be the first community owned pub in Saffron Walden serving the needs of the local and wider community

Aims:

- Owned by the community
- The community has a say in setting the direction and values of the pub
- An offering that is attractive and accessible to all
- Promotes social inclusion
- Financially viable for the long term

¹ [Community groups call time on the demise of the British pub | Life and style | The Guardian](#)

Values:

- A family friendly pub where members of the local community feel welcome
- A tenant (or manager) who is known and is a welcoming host
- Good food which is accessibly priced for all members of the local and wider community
- A range of well-kept beers and ciders, not predominantly from any one brewer
- A pub that encourages community involvement and participation in local events, and is at the heart of the local community

The committee then set about exploring different legal entities that would best meet the vision, aims and values and agreed that a Community Benefit Society [previously known as Industrial and Provident Societies] best met them, as their purpose is to serve the broader interests of the community. More detailed information on Community Benefit Societies and how they operate is provided in Appendix 4.

A public meeting was held in the town hall with over 130 attendees and the campaign received universal support for its vision and aims for the Railways Arms. The campaign has also achieved extensive publicity and support through the local press, leafleting, mail shots, its website, social media and a twice weekly presence at the Saffron Walden market as well as at the triennial Town Carnival. Currently the campaigns mailing list runs to 350 people.

The campaign applied and was accepted onto the Plunkett Foundation's "More than a Pub" programme that has supported over 90 communities to buy and run their local pub. The "More than a Pub" 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 the Power to Change Trust. The programme is led by The Plunkett Foundation and delivered in collaboration with Co-operative & Community Finance, the Campaign for Real Ale (CAMRA), Co-operative Mutual Solutions, Pub is the Hub and Locality.

The "More than a Pub" programme offers a comprehensive package of business development support, advice and loan and grant funding to assist community pub businesses to consider their viability at all stages of their development.

Support is provided to community groups looking to take on ownership of their local pub and committed to delivering a community pub for the benefit of the wider community. These activities could include the provision of employment and volunteering opportunities, work place training and additional services such as a shop, post office, library, internet café, cash point, prescription services and informal meeting spaces for a range of community activities.

A social impact matrix is included at Appendix 5 to show the wide range of social and other benefits a community owned Railway Arms could provide.

The number of communities purchasing and running community pubs is growing and as far as we know, none have failed. Community owned pubs are run on a different business model to pubs owned by brewery and pub companies as they can be run on a low cost basis, improving their financial viability.

Community owned business are run for the benefit of the community and are thus more customer focused rather than being investor focused with the need to maximise a financial return.

The Plunkett Foundation provides valuable support that has helped the number of community owned businesses grow. Many have become successful..

3. The Railway Arms

Catchment area

Saffron Walden is a prosperous market town with a population (2015) of over 16,000, of whom some 9,000 are of working age and 2,700 are over 65. Despite recent population growth of 1.5% per year, the built-up area of the town remains very compact (approx. 4km sq.) and the residential density is approx. 4,400 persons/km sq.

The Railway Arms is located approximately 500m south of the market square (Appendix 1 Fig. 1). It lies in an established residential area containing a mix of terraced housing, semi-detached and detached housing, primarily of Victorian age, built after the arrival of the Railway line in 1865, but with some modern apartment blocks, houses and several custom-built residential homes in the immediate vicinity.

The prime catchment area (shown within the red line shown on the map - Appendix 1 Fig. 2) containing no other pubs, is the southern quadrant of the town, bounded by London Road in the west, Audley Road in the north and Thaxted Road in the east. To the south, this catchment widens to include a large swathe of post-war housing. This catchment area contains nearly the whole built-up area of Audley Ward, and around 75% of the built-up area of Shire Ward (Appendix 1 Fig. 3). The most recent electoral roll gives a combined total of over 9,000 “electors” for these two wards.

The green circle on the map attempts to “size” the catchment on the basis of walking distance from home to the pub. Within a ten minute radius, the entire town centre is within easy reach of the pub, and the greater part of the southern half of the town. Aside from the two main arterial roads which bound the catchment to east and west, Debden Road is a third important route connecting the town with the villages and farms to the south, and all three are possible links to a wider catchment.

Within 2-5 minutes’ walk of the pub are a number of residential apartments/retirement homes (Appendix 1 Fig. 4). The electoral roll identifies a total of some 3,400 electors. We hope to encourage custom from this group by providing accessible convenient facilities such as a library/ book exchange, internet access, a community owned allotment/ orchard, a local shop supplying essentials and foodstuffs in appropriately smaller quantities, weekly low cost meals, activities such as bingo and bridge classes, lectures and workshops, ‘knit and natter’, a ‘men’s shed’ and other special events.

What role does it play?

The Railway Arms is the only pub serving a large part of the community in the southern part of Saffron Walden. It is a historic pub, which dates from 1865 and is the sole remaining publicly accessible element of the town's closed railway station and Audley End to Bartlow branch line.

With its friendly atmosphere and extensive town garden it has always been known as a place to bring family and friends for food, drink, entertainment and as a place to meet new friends. It has been an employer and a consumer of local services and a focus for the local community and wider Saffron Walden community when holding events such as beer festivals, garden parties, charity quiz nights and as a music venue.

The pub also benefits from outside buildings that, subject to planning permission and finance, have the potential to extend the range of services and activities available to the community. As well as providing new services as described above, they could also provide the local community with function rooms, a community café, a micro-brewery or much needed overnight accommodation in Saffron Walden. All these would complement and enhance the business of the pub and provide additional income to make the pub financially viable. Increased local employment opportunities would follow.

What is the local competition?

The nearest pub [200 metres distant] largely caters for a sporting clientele, offering sports coverage on three televisions while it is open. It does not offer evening meals.

There are other pubs, cafés and restaurants in the centre of Saffron Walden but the Railway Arms is the only pub serving a large part of the community in the southern half of Saffron Walden, and few pubs in the centre provide evening meals. With the likelihood of more housing being built near the Lord Butler Leisure Centre and beyond in the Shire Ward of Saffron Walden, the Railway Arms is well placed to serve a growing community in that part of the town.

All the local shops, cafés and other local convenience services closed many years ago and residents in the southern part of town have to walk or drive to the centre or the outskirts of the town to buy essentials or go to the post office for example.

What sort of pub is it?

The Railway Arms has in the past been essentially a beer house consisting of two bars that have been knocked through to make a single room. It has limited space to provide meals for people wishing to eat at the pub.

The pub has a large enclosed garden that is very popular in the summer, particularly with families and is large enough to hold events including a number of beer festivals in the past. It also has a garden previously used as a private garden that could be developed into a community allotment/ orchard.

The food offering, when run successfully in the past, has been home-cooked, good quality and accessibly priced meals, including a specials board and weekly food promotions.

The pub has been used as a meeting place for people involved in many clubs such as the Saffron Walden Musical Theatre Company, the Saffron Walden Rugby Club Veterans Team, the Saffron Striders, Walden Tri, the Saffron Walden Amateur Operatic Society and a darts team in the past.

Why buy it and why now?

The opportunity to purchase the pub and secure its future for the community comes at a time when many places where people can meet to socialise and forge new relationships are closing.

Places such as these are not just full of character, in this instance the Railway Arms used to serve the people using the old Railway Station itself, but are essential focal points for members of the local community that help build a distinctive community identity and spirit.

The owners, Charles Wells have decided to sell it because it does not generate sufficient returns to meet its corporate interests and needs. Run on a non-profit basis with a strong community ethos, an extended range of services and activities and good management, it provides an opportunity to secure a valuable amenity for the community.

4. The Proposal - To purchase the Railway Arms

Our proposal is that the newly established community benefit society, Saffron Walden Community Pub Limited [“SWCP”], will purchase the first community owned pub in Saffron Walden, the Railway Arms.

In accordance with SWCP’s governing document, the Model Rules for Community Ownership, (copy attached as Appendix 6), SWCP will raise funds to acquire the pub and if successful will be the owner and landlord of the pub. As the pub is no longer trading, the pub would be purchased with vacant possession.

The pub is currently for sale and is being marketed by the owner’s agents, Gerald Eve, who have advised informally that the owners are looking to sell the pub in the region of £300,000 [plus VAT] as continued use as a pub and in excess of £600,000 for residential development. The pub has been registered as an Asset of Community Value [ACV] and a developer considering purchasing the property, would need to get planning permission for change of use. We feel that could be difficult now the pub is an ACV and if there is a strong business case and support in place for a community owned pub. The agent is aware of the society’s intention to make a bid.

We are assuming at this stage the owner will accept a price in the region of £300,000 to £350,000 plus VAT.

We have commissioned an independent valuer to value the pub and site on three bases: the pub as it stands now, the pub operating without development and operating at its full development potential. For this plan, we estimate the values as:

- The pub as it stands now - £250,000
- The pub operating without development - £325,000
- The pub operating with its full development potential - £420,000

The Society intends to finance its purchase and development of the Railway Arms initially through:

- a community share offer for between £200,000 and £250,000;
- loans/ mortgage finance of up to £150,000 on commercial terms;
- grants from charitable trusts and other organisations of up to £75,000;
- a shareholding/ loan of up to £50,000 from a joint venture to run a micro-brewery at the pub.

If the Society is successful in raising the funds it will have in the region of £450,000 to £525,000 to make a bid to purchase the pub and if successful to invest between £100,000 and £150,000 to develop the outbuildings. The aim would be to provide a useable space for a community café and shop, a micro-brewery, function rooms and ultimately, perhaps overnight accommodation.

Share Offer

To enhance the attractiveness of these shares for investors, investments would, subject to HMRC approval, be eligible to fall under the Seed Enterprise Investment Scheme [SEIS] and the Enterprise Investment Scheme [EIS] administered by HMRC. This would give income tax payers investing in SWCP, for the first £150,000 raised, tax relief equal to 50% of their investment to set off against their tax bill, and for those investors after the first £150,000, 30% tax relief. We have applied for advance assurance from HMRC that the share offer qualifies for both SEIS and EIS and are awaiting the decision.

Currently over 160 people have made pledges totalling £185,000 against a target of £200,000. It is expected that once the share issue is launched the target will be exceeded, and perhaps approach £250,000.

Loans/ mortgage finance of up to £150,000 on commercial terms

The Society has been successful in applying to the Plunkett Foundation's "More than a Pub" programme and has been awarded the maximum joint short-term loan offered of £50,000 and grant offered of £50,000. The loan is a short-term loan repayable over 8 years with an interest rate in the region of 8%.

The Society is currently negotiating a long-term [20 year] mortgage of £100,000 with Triodos Bank. Triodos Bank is a global pioneer in sustainable banking, using the power of finance to support projects that benefit people and the planet. They believe that banking can be a powerful force for good: serving individuals and communities as well as building a more sustainable society. The loan will be secured on the freehold and provided at commercial interest rates in the region of 4% to 6%. These funds would not be used for the purchase of the pub, but with other funding, to develop the pub and outbuildings.

Grants and donations

We estimate that £75,000 will be raised from applying to grant giving programmes, organisations and individuals. £50,000 is part of our application to the Plunkett Foundation's "More than a Pub" programme, the remainder from the Architectural Heritage Fund and local charities. We will also be running a major donor fundraising campaign in September and October.

JV Share/ Loan

Three individuals have approached the Society and expressed an interest in operating a micro-brewery in part of the outbuildings. They would like to invest up to £50,000 in the form of shares or a loan to part fund the refurbishment of the outbuildings.

Security

We plan to ensure the amount of loan finance raised will not exceed 50% of the estimated value of the Railway Arms operating at its full development potential - £450,000. The business plan cash flow includes regular repayments of loan capital that will increase the proportion of the value of the pub owned by the shareholders.

5. The Proposal - Operations of SWCP

The Society is governed by the Plunkett Foundation's Model Rules for Community ownership [a copy is attached as Appendix 6].

The management committee will be responsible for the overall running of the company and the pub in line with the Society's governing document, aims and values. As part of the transitional arrangements and in line with the Society's governing document, the current management committee was constituted from the Save The Railway Arms Pub [STRAP] steering committee. All the members of the management committee will automatically step down at the first Annual General Meeting of the shareholding members. The retiring committee members and any other shareholder member of SWCP will be eligible to stand for election to the committee. Each member present at the AGM will be able to cast one vote, irrespective of the number of shares owned.

As well as appointing the management committee, the shareholding members will be able to determine the affairs and rules of the society by putting forward motions on the Society's aims and values and how the pub should operate.

The management committee will draw up a job description reflecting the Society's aims and values to recruit and appoint a manager to operate the pub. The manager will operate the day-to-day activities of the pub, hiring staff as necessary and as allowed within an agreed budget.

As well as receiving a salary, the manager will also benefit from living in the flat above the pub at a subsidised rent and will also receive a profit share based first on maintaining the financial viability of the business and secondly on the level of community involvement, activities and events held at the pub.

The management committee will also appoint a part-time [2 days per month] business manager who will be an individual or organisation with extensive experience of pub retailing and will provide the link between the management committee and pub manager. The business manager's role will include assisting the management committee in the recruitment of the pub manager, ensuring the pub is being run in line with the Society's aims and values, is complying with its statutory regulations on H&S, hygiene, VAT, employment law as well as providing internal controls on takings, costs of sales, opening and closing stocks.

The Society's company secretary will be responsible for maintaining the shareholding member's records, receiving and recording applications for new shares and share withdrawals and, with the treasurer's assistance, the payment of interest to shareholders. The secretary will also be responsible for organising shareholder members' and the management committee's meetings.

The treasurer will be responsible for maintaining the financial records, keeping VAT records, paying and reclaiming VAT, the preparation of management and annual accounts, submitting annual returns to the FCA and ensuring all mortgage payments are made on time.

All the committee officers, the business manager and pub manager will have agreed job descriptions setting out their roles and responsibilities.

The management committee will meet formally with the business manager and pub manager at a minimum of every 3 months to discuss the running of the business, to monitor the running of the pub, to discuss recommendations and improvement projects and to satisfy themselves that the pub is meeting the aims and values of the Society as well as the needs of the community, individuals, societies, clubs and local charities.

6. The Proposal - Business Development

The Railway Arms has in the past been essentially a beer house with limited space to provide food to people wishing to eat at the pub. It does have a large enclosed garden that is popular in the summer with families and for holding events.

Not being in the centre of town, it has limited “footfall” and is more of a “destination” pub. It has attracted large numbers at beer festivals, music events, clubs and society/ charity events.

The undeveloped outbuildings provide a massive potential to expand the business and broaden the range of services and activities provided by the pub.

Having purchased the pub, the first job is to re-open it and we have allowed for up to £20,000 working capital to refurbish and re-equip it.

Having re-opened the pub, the next priority is to rebuild the regular customer base by providing a convivial space and ambience, drink and a food offering that is accessibly priced, of good quality and value. The recruitment of the right Pub Manager with good hosting, pub retailing skills and the ability to provide an offering that meets the needs of regular customers is key to the success of this.

It is also our intention to work with the manager to encourage and support their effort in improving the food offering, and maximise the use of local suppliers and ingredients. We will support them in maximising the use of the local market, independent shops and traders, as well as further afield farm shops. The proposed allotment/ orchard could also be a source for organically grown produce and we could also work with local allotment holders in the town to provide ‘surplus’ produce to the pub.

The business plan includes a profit share as an incentive for the pub manager, not only to ensure the pub remains financially viable, but also to encourage the manager to increase the level of community involvement, activities and events held at the pub. The cash flow also includes funding for promoting activities and events and the Society has access to a number of professionals with marketing and communication skills. We will need to proactively advertise events and activities, establish contacts with clubs and societies and groups of people, and that will bring like-minded people together at the pub. A mixture of pub-centric clubs (e.g. darts, pool), groups less traditionally associated with pubs (e.g. dance, reading, ‘knit and natter’, book club) and events such as BBQ evenings, open mics and music nights will ensure a broad appeal.

The Society is very also keen to make contact with and provide clubs, and in particular charities that help people with physical, learning and employment needs, with opportunities to meet and develop life skills, whether it be meeting or working in the pub, its gardens, a community café/ shop, or other community events at the pub.

From the outset, the Society will hold all its meetings in the pub and will use the pub for refreshments after the AGM (itself likely to be held at the nearby Fairycroft House Media & Arts centre).

We will encourage and support the manager in providing:

- coffee mornings for young parents who take their children to the nearby R A Butler Academy and St Thomas More School;
- special lunch menus and activities such bingo, bridge clubs and other activities for the over 60’s who live nearby in Custerson Court, Audley Court and in other single accommodation;
- a DVD/CD/book library/ share facility;
- a community allotment/ orchard;
- a monthly Business Club for local businesses to exchange ideas, air problems etc. ;
- internet provision.

After purchase, the Society will continue to seek additional finance in the form of new grants, new shareholders and loans as necessary to invest in the pub and extend the range of services and activities that it provides. After grants, shareholder capital is more attractive as the dividend/ interest payments are likely to be about 50% lower than commercially sourced finance.

Despite what we expect to be an attractive interest/dividend rate payable on the shares, it is possible that a number of shareholders will ask to redeem their shareholding after the initial 3 year 'lock up' period, which could place a strain on SWCP's cash flow.

For this reason, we will continue to seek investors in order to achieve three key objectives:

- minimise the overall cost of the Society's funding;
- build a cash reserve to meet redemption requests and unforeseen expenses;
- develop a 'waiting list' of prospective investors who are attracted by the planned competitive interest/dividend rate but whose investment is currently not needed. These prospective investors would be approached to replace redeemed shares and possibly to fund new, viable projects.

The Society will continue to attract new shareholder interest via its own website and through regular publicity in the town and surrounding areas.

7. The Proposal - Potential improvement plans

The Society has commissioned an independent valuer to provide a fair value of the property and also to produce a condition report of the pub. We anticipate and have allowed up to £20,000 for the remedial work to restore the condition of the pub to a presentable state to be able to reopen. This includes:

- repair and redecoration of all external woodwork;
- internal redecoration to the Manager's flat;
- re-installing all the cellar equipment;
- deep cleaning the commercial kitchen equipment.

The management committee have developed a list of further improvements that it believes will be beneficial for the operation of the pub, as well as allow the pub to provide a wider range of services and activities. These include:

- developing part of the outbuildings to provide a useable space as a meeting/ function room for hire, to be used for parties, clubs, societies, as a separate eatery, community shop or café. This will require installing a small kitchen and additional toilets to be used by the new space, and by people using the new courtyard;
- paving the car park between the pub and the outbuildings to provide a courtyard that better links the pub and outbuildings and provides an external place to eat, drink and hold functions;
- developing other outbuildings to make them into a useable space to allow the running of a micro-brewery;
- relocating the first floor commercial kitchen to the ground floor to improve the operational effectiveness of the kitchen in providing more meals.

Longer term proposals include converting the stables and cart shed into other uses such as overnight accommodation and/or community shop, exhibition/performance space.

We will not be able to implement them all fully in the short term but see this as a continuing process.

We have commissioned a local architect to prepare outline drawings that can be used when seeking planning permission and for tendering. The architect has confirmed the provisional sums included in the cash flow would be sufficient to fund the scale of development proposed.

We also believe the Society will benefit from skills such as design, building, plumbing, electrical work, decorating etc. that are available either within the Society's membership or the local community and that could be provided at low cost.

We also anticipate grant funding will be available for part of the costs from bodies such as the Architectural Heritage Fund, Essex Community Fund, Essex Big Society Fund and others.

8. The Business Case

Charles Wells, in their representations to Uttlesford District Council resisting the application to have the Railway Arms registered as an Asset of Community Value, stated the pub was not financially viable and provided supporting documentation showing that it had made a loss over a number of trading periods.

Analysis of the supporting information highlighted the underlying reason why the Railway Arms (and many other tied pubs) fail to make a surplus, being the amount the owners take out of the business in the form of rent, service charges and mark up on pubs having to purchase beer and wet goods through the owner.

Stripping out the rents and service charges and reducing the cost of purchases to levels that freehold pubs can access, immediately show that the pub was viable in the past.

Charles Wells also did not provide the investment to exploit the potential of the outside buildings, the dining area and the gardens. Investing in these and providing function rooms, courtyards, an eatery, a micro-brewery and overnight accommodation all complement and enhance the business of the pub.

Charles Wells also provided limited promotional funding to support the tenants in holding events.

What would change?

Community owned pubs operate under a completely different business model to those operated by tied-pubs. A managed community owned pub only needs to make sufficient surplus to pay the interest to its shareholders and commercial loan providers, to build a reserve to allow shareholders to redeem their withdrawable shares and to re-invest in the pub. Following the development of the pub and outbuildings, the Society will also benefit from higher trading surpluses and additional rental income.

The projections

A projected five year cash flow is included in Appendix 2. The assumptions used for the projections are based on the figures when the pub was in operation and running successfully before it closed, and do not reflect the potential from redeveloping the site. We feel the pub trading sales figures may well be higher once the outbuildings have been developed and with more people being engaged and shareholding customers using the pub.

Broadly the projections demonstrate that with conservative assumptions, the new company would generate a surplus after payment of debt costs, shareholder interest and other costs.

In the worst case, should the underlying pub business fail, we would then have two alternatives:

First, we would identify why the pub is not being successful and perhaps seek a new manager to implement a revised business plan.

Should this not be successful we would be able to demonstrate that, run on a not-for-profit basis, a pub business simply will not work and the Society, as the owner of a valuable freehold property, would be able to sell the property and repay the shareholders and other providers of capital.

Also, in this extreme scenario, the community having endeavoured and failed to ensure the continuation of a viable business, would be able to seek permission for a change of use and sell the building and site. Should this happen, it is probable a sale on this basis would realise an amount in excess of any amounts owed and provide a surplus which would have to be distributed for the benefit of the community.

We will manage the Society's sources of capital such that the total amount of loan finance raised will not exceed 50% of the estimated value of the pub operating at full development potential at our estimate of £450,000. The business plan cash flow also includes regular repayments of loan capital that will increase the proportion of the value of the pub owned by the shareholders.

We believe that our projections for the business are reasonable and achievable. They are largely based on existing data. However, these projections do not factor in the considerable goodwill and new interest that will be created by the formation of a community owned pub.

Several other factors will have a positive impact on the performance of the pub, including:

- we expect that shareholders, with a more direct vested interest in the success of the Railway Arms, will increase their support and use of the pub;
- the Society will be more attentive than the existing owner to the need for improvements to the fabric of the building and for better decorated and fitted out bars and toilet facilities. These will make the pub more attractive to visit;
- the manager will be incentivised to increase the level of community involvement, activities and events that in turn will help grow the business and make it viable;
- the shareholder base will include people with a wide range of relevant skills and we are confident that these will be made available to the Society in respect of improvement projects. The town is home to plumbers, electricians, decorators, builders etc.;
- the creation of the first community owned pub in Saffron Walden will raise the profile of the Railway Arms in the town and surrounding areas.

9. SWOT analysis

Strengths

- Historical heritage
- Good location, in area with lots of housing
- Dwindling number of competing pubs in the town
- Lack of local convenient community services
- Core existing customer base for pub business
- Potential from unutilised outside buildings
- Large garden
- Good internal condition/ decorations
- Underlying value of site and, in extremis, development value
- Reservoir of goodwill for pub
- Inherent incentive for proposed shareholder base to use pub and underpin business
- Management by Committee

Weaknesses

- Distance from town centre
- Limited “footfall”
- Limited on-site car parking
- Kitchen on first floor, access to bar via a dumb waiter system
- Management by committee
- Dwindling pub scene

Opportunities

- To be the first community owned pub in Saffron Walden
- As a community based company, increased possibility of grant and donor funding
- Strengthen customer base and loyalty by building on ‘community’ aspect of pub
- Involve customers and wider community more in pub, e.g. events, practical skills
- Invest in and develop complementary new community services and facilities
- Work closely with manager to enhance attractiveness of pub, through practical support and constructive feedback
- Demonstrate a new model that can support the wider pub scene in the town

Threats

- Unsuitable pub manager
- Unforeseen costs, repairs etc
- Structural/ building improvements required, e.g. garden; courtyard, repairs to outbuildings
- Environmental impact of micro brewery
- High level of redemption requests from shareholders
- Pub business may not be successful for reasons beyond our control, e.g. economic situation, new legislation etc

The weaknesses and threats can be addressed as follows:

Distance from town centre and low footfall

The Railway Arms is 500 metres [a 10 minute walk] from the town centre. The Eight Bells pub is a similar distance north of the town centre and is a popular venue due to having an excellent restaurant and space to hold events. The Railway Arms is better positioned than the Eight Bells as it has a larger “10 minute walking” catchment area to the greater part of the southern half of the town where there are no other pubs.

The pub has been very popular in the past, particularly when holding events. The business plan includes an incentive to encourage the manager to increase the level of community involvement, activities and events held at the pub. Allowance has also been made for promoting activities and events in the cash flow projections and the Society has access to professional people with marketing and communication skills.

Limited car parking

There is very restricted parking on the pub site. There is on-road parking in Station Road and Station Street, the exception is during school drop-off and pick-up times but these do not conflict with the pubs more active times.

With its larger “10 minute walking” catchment area from the town centre to the greater part of the southern half of the town, many wanting to go the Railway Arms will be able to walk. Indeed many less mobile people live on the doorstep.

First floor kitchen

The first floor kitchen and “dumb-waiter” would be adequate for the level of food sales on the reopening of the pub. As the business develops, it would improve the operating capacity of the kitchen and the provision of meals if the kitchen is moved to where the toilets are currently and the toilets [apart from a toilet for disabled customers] are relocated to where the kitchen is upstairs. A further small kitchen and new toilets would be included in the development of the outbuildings and the provision of a function room, eatery, community café etc.

Management by committee

All members of the management committee are bound by a code of conduct when dealing with the Society’s affairs. All decisions made by the committee are done so as a corporate body, preventing any individual member making decisions that affect the Society without the consent of the committee. Decisions made will also need to be in line with the Society’s objectives, aims and values as determined by the shareholders. As well as having the power to appoint members onto the management committee, shareholding members can also vote to remove committee members.

The committee is currently carrying out a skills audit to ensure there is a good range of business, financial and marketing skills and expertise on the committee to run the Society. Job descriptions have/ will be drawn up defining the responsibilities and roles of each officer on the committee as well as the business manager and pub manager.

The appointment of the part-time business manager will be the link and provide a “buffer” between the management committee and the pub manager that will facilitate the working relationship between both parties.

Pub manager

A key criteria to the success of the venture is having the right pub manager who, in addition to being well qualified in pub retailing, has the vision, motivation and capability to operate the pub with a strong inclusive community ethos and is willing to provide the wide range of services/ activities as set out in the plan.

Good recruitment, retention, performance management and training practices are vital for employing the right person(s). The management committee includes members with a range of business skills and expertise covering Human Resource management. The committee will also be able to use the skills and expertise of the business manager in the recruitment and management of the pub manager.

Provision has also been made for the pub manager to receive an annual profit share based partly on maintaining the financial viability of the business and also on the level of community involvement, activities and events held at the pub.

Building improvements

These could be both costly and disruptive. However, as a community company, we would be attractive to certain donors. We also benefit from a broad skill base in the town that could be used to enhance the quality of the community owned asset. These skills include architectural and building design, building, plumbing, electrical, flooring, decorating services, gardening etc.

Unforeseen costs for maintenance

We will endeavour to maintain a cash reserve for maintenance. The cash flow projections include an allowance for this. In addition, as with the building improvements discussed above, we would expect to be able to benefit from substantial donations of skilled labour from the pub customers and shareholders.

High level of share redemption costs

We would aim to have a reserve of cash in place to meet any redemption requests, however this is a non-productive asset (paying 3%+ interest out and receiving 1% from a bank). We would therefore seek to make the interest rate payable to shareholders an attractive one so that requests driven by a need for higher returns would be few. In addition we would endeavour to create and maintain a waiting list of investors who have expressed a wish to buy shares.

Underlying pub business may not be successful.

It is possible that despite the efforts undertaken and improvements made, the Railway Arms might not become a viable business. In that event, the community owned company will own the freehold of a very valuable site. At worst, the site could be sold and the proceeds used to redeem all shares outstanding and put any surplus into charity projects, possibly as the basis of a community endowment fund.

Economic environment is not conducive to business

Clearly we are unable to control broader economic events which could impact on the underlying business. However as a community based organisation we should have a greater degree of flexibility and desire to assist the tenant/manager than the large pub owning companies have.

10. The Management Committee

As part of the transitional arrangements, a current management committee was constituted from the Save The Railway Arms Pub [STRAP] steering committee. All the members of the management committee will automatically step down at the first Annual General Meeting of the shareholding members, who will then elect new members to the committee.

There are currently 8 members on the committee with the provision to increase to 12. A skills audit is currently being carried out to identify where the committee needs to strengthen its overall ability to deliver the Society's vision and aims.

The current members are:

Tom Bennett [Treasurer]

Tom has lived in Saffron Walden now for 8 years and in the area for over 23 years. He became involved in the campaign initially to save another closing pub but increasingly to be part of a growing movement in creating pubs that are "more than a pub".

He has worked in the charity and not for profit sector for over 30 years, as a Finance and Administration Manager rising to the position of a Chief Executive Officer of an occupational Benevolent Fund and offers experience and knowledge on governance, business planning, finance, administration and facility management and has been involved in the start-up of two new organisations.

Bob Eastham

Bob is a retired professional engineer who has lived in Saffron Walden for fifty years. He has served long terms on both the Town and District Council and has twice been the Town Mayor.

As a Cricket Club V.P, member of local musical Am-Dram Societies and former Round Tabler he has amassed a significant knowledge of the area and its people.

He has organised, acted in and produced several Pro-Am Shakespeare plays for the Shake-a-Leg Community Theatre Company proving his organising ability and understanding of local bureaucracy are amongst his assets.

Jules Hales

Jules has a lifelong interest in pubs, beer, and the opportunity to try and create the perfect pub.

Jules worked for 30 years in the City managing multi-million dollar treaty reinsurances for medium/large insurance companies in the USA.

In 2011 he attended a three month brewing course and in 2012 set up his own brewery and created a beer brand, "Bombay Blonde". Jules holds a personal licence for the sale of alcohol and his company is fully registered under the HMRC Alcohol Wholesalers Registration Scheme.

Jules brings his extensive knowledge of brewing, the pub industry and running his own small VAT registered business. He provides good all round organisational skills, the ability to work to strict deadlines and high quality written and verbal communication skills.

Dave Kenny [Chair]

Dave moved to Saffron Walden in 2005 and was a regular at the Railway before its closure. He is an archaeologist now working with Historic England and has worked in the heritage sector for over 30 years.

He is mindful of the public benefit associated with access to and appreciation of the historic environment. Pubs are one of the most readily accessed elements of the historic environment and he sees their loss as damaging in terms of the scope of the public domain in the town and throughout the country.

He was particularly concerned by the way that the Railway's community of regulars were dispersed without notice at the time of its closure and sees the alternative CBS business model as offering a more sustainable solution to the challenges faced by pubs in promoting community wellbeing and social cohesion.

Steve Langford

Steve moved to Saffron Walden 9 years ago after living in North London/Hertfordshire and was a regular at the Railway before its closure.

He has worked in the electronics industry for over 25 years in the UK and Europe covering many marketing, sales and procurement roles and has been a long term member of the Chartered Institute of Procurement & Supply (CIPS). A former keen rugby player, Steve is also secretary of Saffron Walden Rugby Club. Steve has experience in business development, PR & marketing, commercial negotiation and contract management.

Gemma Perry [Secretary]

Gemma has lived in Saffron Walden all her life, except for a few years away at University. In this time she has seen the number of pubs in town halve and hopes to contribute to saving another from closure.

She is Data Manager for an educational trust near Cambridge, a job which combines many years administrative experience with a mathematical background to analyse and present statistics across the organisation. She hopes these skills, along with her local knowledge, will be beneficial to the Society.

Tim Walker [Vice-Chair]

Tim has lived in Saffron Walden for 25 years and helped raise two children that have attended local schools and sports clubs here.

He has worked in the travel industry for over 30 years. The last 17 years of which as a partner in a tour operating company, which he co-founded and still works full time at - based in Uttlesford.

He is looking forward to bringing his general business administration and financial skills in running a medium size organisation to the group's benefit.

Kenneth Wright

Kenny is a retired Geography teacher, householder in Saffron Walden since 1976, and permanent resident since retiring in 2005.

He currently works part-time with Bell International (Language School), and likes to spend leisure time punctuating long-distance treks with pub-crawling.

He is dismayed by the loss of numerous local pubs, both in town and the rural hinterland, which constantly confound his out-of-date OS maps, and fires a commitment to revolt against this trend.

Appendix 1

Fig 1 The Railway Arms In Saffron Walden

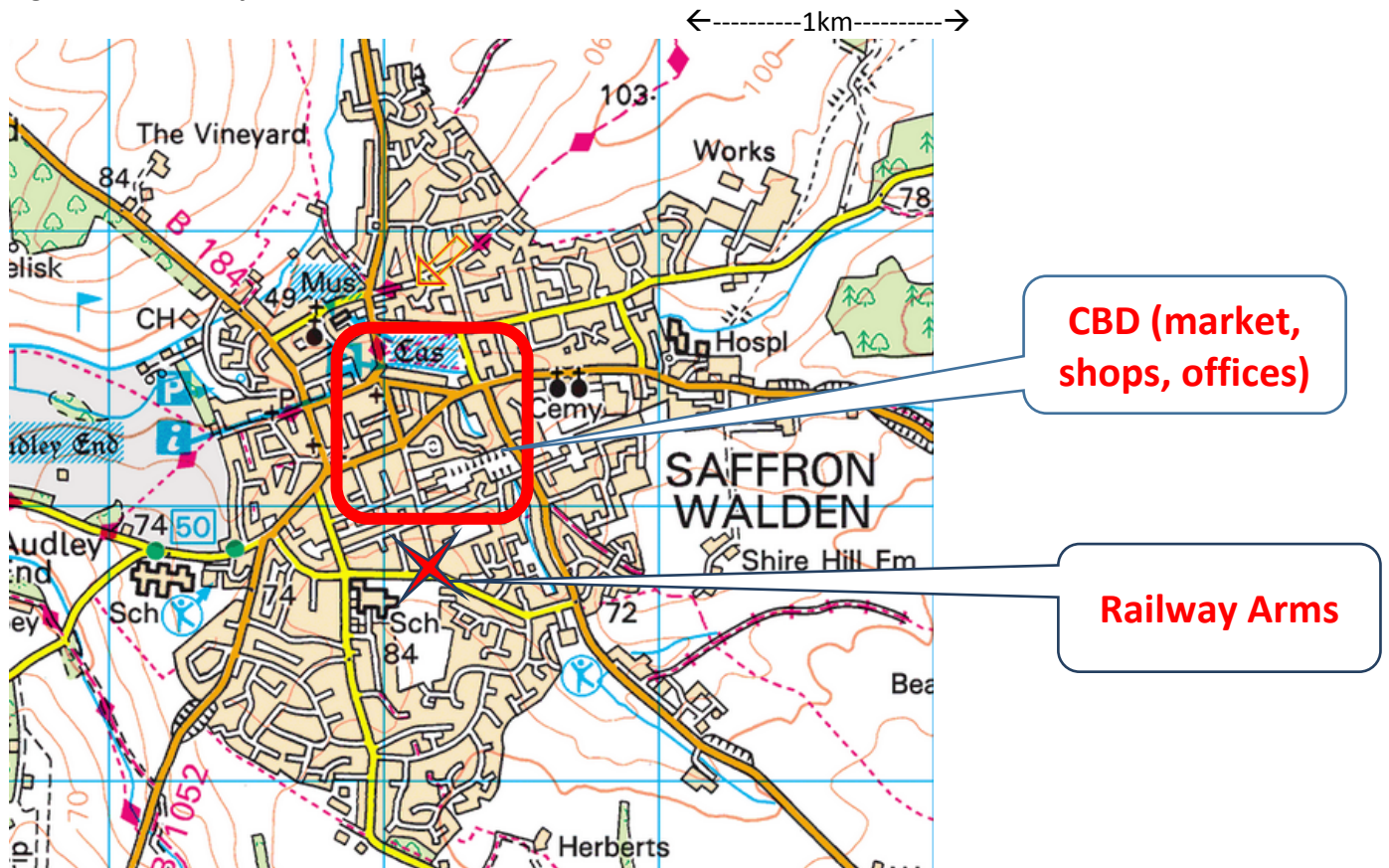


Fig 2 Potential catchment area of the pub



Fig 3 Ward boundaries, prime catchment area

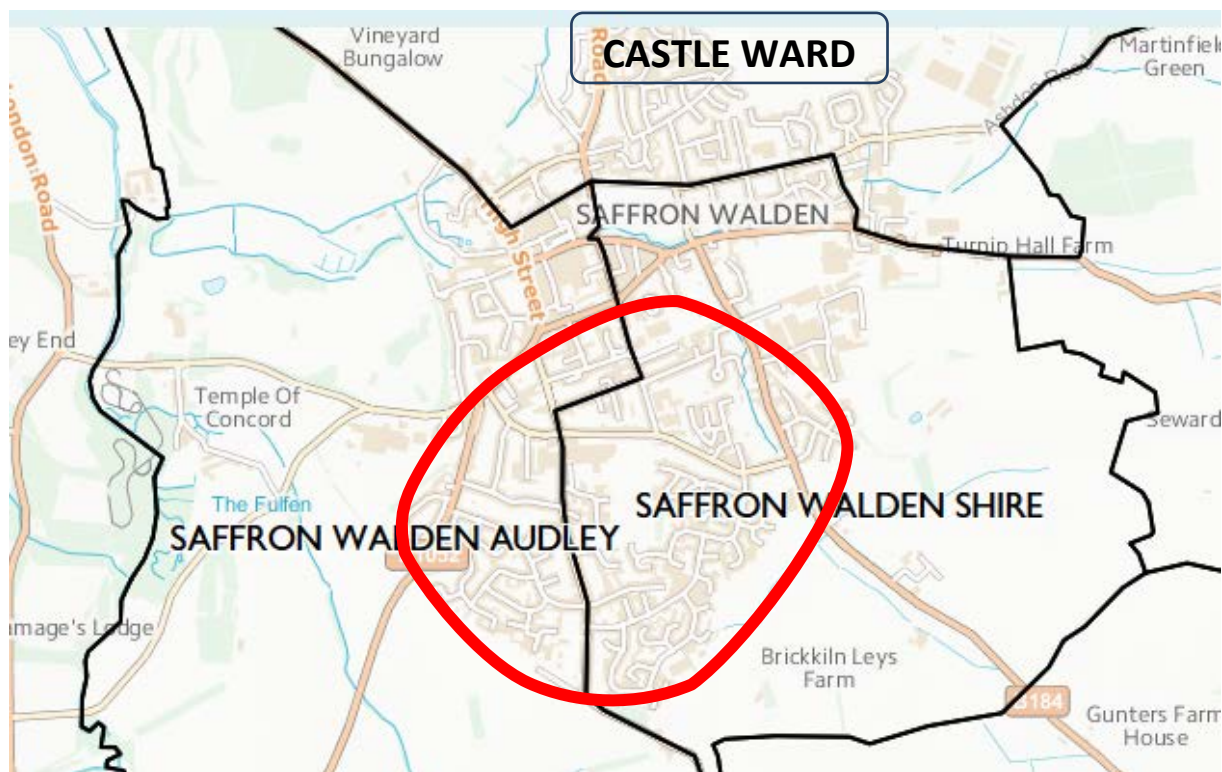


Fig 4 Potential number of customers

Although a few streets in Audley and Shire wards fall outside the **prime catchment area** as shown by the boundary, this should be more than counterbalanced by potential customers travelling from Castle Ward, which has not been included in the totals below.

Ward	No. properties	No. Electors
Audley North	980	1,271
Audley South	1,241	2,309
Shire North	1,795	3,007
Shire South	1,359	2,517
TOTAL	5,365	9,095

Residential Homes (incomplete list)

Homes	No.Residents
John Dane Player Court	21
Stanley Wilson Lodge	36
Saffron Lodge	38
Highfield Nursing Home	22
Audley Court	47
Gabriel Court	27
Farmadine House	47
Four Acres	50
Custerson Court	57

Source : Electoral Roll 2015

Appendix 2						
Cashflow						
	Start up	2018	2019	2020	2021	2022
Income	£	£	£	£	£	£
Share issue	250,000	-	-	-	-	-
New shares Issued	-	5,000	5,000	5,000	5,000	5,000
Grants/ fundraising	75,000	2,500	2,500	2,500	2,500	2,500
Short term loan [repayable 8 years]	50,000	-	-	-	-	-
Long-term loan/ mortgage/loan 25 yea	100,000	-	-	-	-	-
JV share/loan [interest 3%]	50,000	-	-	-	-	-
Purchase VAT recovery		60,000	-	-	-	-
Trading income		220,000	226,600	233,400	240,400	247,610
Other income						
Rent Manager's accommodation		7,200	7,380	7,560	7,750	7,940
Rent outside/ function rooms		-	12,000	12,360	12,730	13,110
Total income	525,000	294,700	253,480	260,820	268,380	276,160
Expenditure						
Property cost	360,000					
Acquisition costs	10,000					
Refurbishment of cafe/shop/ function rooms/micro brewery		150,000	50,000	-	-	-
Trading costs		182,650	187,630	192,830	198,050	203,510
Property maintenance fund		5,000	5,130	5,260	5,390	5,520
Property Insurance		1,000	1,030	1,060	1,090	1,120
Legal & professional costs		1,000	1,030	1,060	1,090	1,120
Business Manager [2 day per month]		4,800	4,920	5,040	5,170	5,300
Manager profit share [trading profits]		7,500	7,690	7,880	8,080	8,280
Mortgage/loan interest		4,000	4,100	4,200	4,310	4,420
Share/loan interest		12,000	12,000	12,000	12,000	12,000
Shares withdrawn					15,000	5,000
Loan repayment		10,300	10,300	10,300	10,300	10,300
Total expenditure	370,000	378,250	283,830	239,630	260,480	256,570
Net income/ (expenditure)	155,000	(83,550)	(30,350)	21,190	7,900	19,590
Opening bank balance	-	155,000	71,450	41,100	62,290	70,190
Closing bank balance	£ 155,000	£ 71,450	£ 41,100	£ 62,290	£ 70,190	£ 89,780

Appendix 3

Assumptions used for cash flow projections

Share issue

The minimum subscription will be for 1 share (£50) and the maximum will be 1,000 shares (£50,000) to allow for a larger number of shareholders and to provide financial stability going forward.

Currently over 160 people have made pledges totalling £185,000 against a target of £200,000. It is expected that once the share issue is launched the target will be exceeded and the total will be nearer to £250,000.

New shares

We anticipate that other people will want to invest in the Society after the pub has been purchased. We have anecdotal evidence of other community ownership schemes having waiting lists of people wishing to invest in projects that support and provide benefit to community. Funds raised from new shares will be held and used for those shareholders wishing to withdraw their shares.

Loans/ mortgage finance of up to £150,000 on commercial terms;

The Society has been successful in applying to the Plunkett Foundation's "More than a Pub" programme and had been awarded the maximum joint loan offered of £50,000 and grant offered of £50,000. The loan is a short-term loan repayable over 8 years with an interest rate in the region of 8%.

The Society is in discussions with Triodos Bank in securing a long-term (20 year) loan or mortgage of £100,000 secured on the freehold at commercial interest rates in the region of 4% to 6%. These funds would not be used for the purchase of the pub, but used with other funding to develop the pub and outbuildings.

Grants and donations

We estimate that £75,000 will be raised from applying to grant giving programmes, organisations and individuals. We are currently applying for grants from the "More than a Pub" programme, the Architectural Heritage Fund and local charities. We will also be running a major donor fundraising campaign in September and October.

JV Share/ Loan

Three individuals have approached the Society and expressed an interest in operating a micro-brewery in part of the outbuildings. They would like to invest up to £50,000 in the form of shares or a loan to part fund the refurbishment of the outbuildings.

Trading income

The sales figures are based on turnover achieved when the pub was in operation and are expected to grow at a rate of 3% each year after the first year. We feel the sales figures may well be higher once the outbuildings have been developed as this may increase the number of people using the pub.

Other income

Rent – Manager's accommodation

The pub has a three-bedroom flat on the first floor that will be offered to the pub manager at a rate of c.£600 per month increasing by 2.5% annually. The average rent for a three bedroom flat in Saffron Walden is between £800 and £1,000.

Rent - Outside/ function rooms

We have included £1,000 per month, increasing 3% annually, for rent from the micro-brewery, community café/ shop and hire of the function rooms/ gardens for events and weddings.

Expenditure

Price of the pub

We are assuming at this stage the vendor will accept a price between £300,000 and £350,000 plus VAT.

This is based on discussion with the owner's agents, Gerald Eave. We are also aware of an offer having been made and declined by the owner before the Railway Arms was registered as an Asset of Community Value. The final price will be determined by the number of bidders and the owners' willingness to accept a price on the basis that the Railway Arms continues as a pub. The owner may wish to only accept a bid from a property developer who would need to getting planning permission for change of use. We feel that this could be difficult if there is a strong business case and support in place for a community owned pub.

Acquisition costs

- Stamp duty land tax: £7,500
- Legal costs: £2,500
- Land Registry fee: £500
- Valuation fees: £500

Refurbishment and creations of a community café/shop/ bed and breakfast/ micro-brewery

We have had initial discussions with an architect on refurbishing and turning the outbuildings into usable space for a community café/shop, function rooms, and micro-brewery. He has confirmed the amount provided for the refurbishment is reasonable to allow these developments. Further funding may be needed for the second development phase of providing bed and breakfast accommodation.

Trading expenditure

The cost of purchases have been based on industry averages and are expected to increase in line with growth and CPI.

Staff costs

The expenditure includes staff costs of £55,000 to employ a manager, bar and kitchen staff. The cost includes employer's costs for National Insurance and pension contributions as the staff will need to be automatically enrolled within a new stakeholder pension scheme.

Overheads

The costs for rates, light and heat have been based on the amounts paid when the pub was operating and adjusted for inflation.

Contingency

A contingency has been included to allow for an adverse variation of 10% in gross profit due to lower than anticipated turnover or higher cost of sales. The trading accounts are currently being reviewed and checked for reasonableness by an advisor whose business is buying and selling pubs.

Maintenance

We have provided for £5,000 per annum and increasing at 2.5% annually to be set aside for a property maintenance fund.

Business Manager [2 days per month]

Provision has been included for the appointment of an individual or organisation that would provide an oversight role on the pub's operation and would report to the Management Committee. The role would include ensuring the pub is being run in line with the Society's aims and values, it is complying with its statutory obligations on Health & Safety, Hygiene, VAT, other taxes, employment law etc as well as providing internal controls on takings, costs of sales, opening and closing stocks.

Manager profit share (20% trading profits)

We have included a profit share for the pub manager, to provide an incentive to operate the pub on a sound financial basis. Other metrics will also be considered when reviewing the manager's performance incentive, such as number of community events held etc.

Mortgage/loan interest

Interest has been included at an average rate of 8% for short-term loans and 5% for longer-term loans/mortgages.

Share interest

Shareholders will receive interest at a rate of 3% per annum. Payment will be made gross of tax. Depending on the overall viability of the business, it is proposed to maintain this rate at a level of at least 2.5% above the Bank of England base rate but not more than 3% above. Rates will need to be at a level to retain investors.

Shares withdrawn

We believe that in practice, and provided an attractive interest rate continues to be paid, the rate of share withdrawal requests will be low and it will be possible to attract new investors. The cash flow shows withdrawals being permitted from year 3, at a level rate of £5,000 per annum, which has been matched by new shares being issued for the same amounts. However, withdrawals would only be possible provided the business was not endangered and requests for withdrawals can be declined and/or reduced by the management committee.

Appendix 4 Community Benefit Societies

The purpose of a community benefit society is to serve the broader interests of the community, in contrast to co-operative societies that serve the interests of members. The 2014 Act requires a community benefit society to “carry on a business, industry or trade” that is “being, or intended to be, conducted for the benefit of the community”. Community benefit societies are registered and regulated by the Financial Conduct Authority [FCA] who focus on following four key characteristics of a community benefit society when considering registration:

Purpose: The FCA says that “the conduct of a community benefit society’s business must be entirely for the benefit of the community”. There can be no alternative or secondary purposes, including any that may preferentially benefit the members.

Membership: In common with all societies, community benefit societies are expected to have members who hold shares. The FCA expects community benefit societies to be run on a democratic one-member-one-vote basis regardless of the number of shares owned.

Application of profits: Any profit made by a community benefit society must be used for the benefit of the community. Unlike a co-operative society, profits cannot be distributed to members of a community benefit society. Interest on share capital is an operating expense and should be subject to a declared maximum rate.

Use of assets: Community benefit societies must only use their assets for the benefit of the community. If a community benefit society is sold, converted, or amalgamated with another legal entity, its assets must continue to be used for the benefit of the community and must not be distributed to members. This lock on the assets of a community benefit society can be reinforced by adopting the prescribed wording for a statutory asset lock

Community Benefit Societies are particularly appropriate for organisations wishing to raise capital from the public as it has several special attributes that make it different to companies in this regard, these are:

- enshrined democracy and protection of members' rights - has to be one member, one vote regardless of the number of shares owned. In a society, members have the right to appoint and dismiss directors and determine the affairs and rules of the society;
- withdrawable share capital - societies have the option of issuing withdrawable share capital. This type of share is withdrawable by the member, subject to any conditions stated in the society’s rules. There is no requirement to specify an amount of share capital upon registration. Societies have some exemptions from the Financial Services and Markets Act (FSMA 2000), including exemptions covering the approval of financial promotions, which can reduce the cost of a share issue. Withdrawable share capital is nevertheless risk capital and, despite the exemptions, the FCA will expect a society to provide appropriate information regarding this risk to potential investors;
- limits on shareholding - all members must hold at least one share in the society. Currently shareholding for individuals is limited to £100,000, but there is no limit to the size of shareholding held by another society;
- limits on share interest - the interest payable on shares must be limited to what is “necessary to obtain and retain enough capital to run the business”. Those people investing in societies usually do so for socially motivated or philanthropic

Source: The Community Shares Handbook

What 'More than a Pub' service or activity will you provide?	Which group(s) or types of individual(s) will benefit from this? Please list all that apply.	How many people from each group do you estimate will benefit each year?	When, and how frequently, will these group(s) access the service or activity? E.g. weekly, monthly.	What outcomes or benefits will those group(s) experience as a result of accessing this service or activity? Please describe in your own words.	How will you monitor whether these outcomes are being achieved?	How frequently will you monitor whether these outcomes are being achieved?
Buy and refurbish the Railway Arms pub	1. Residents and pub users of the southside of Saffron Walden. 2. Elderly residents of nearby supported accommodation themselves and their families and visitors. 3. Residents and pub users from elsewhere in Saffron Walden. 4. Visitors to Saffron Walden using the hospitality sector. 5. Charity service users including families and carers. 6. "Beer tourists" drawn to the Railway for a "brew pub" offering.	1. 8000. 2. 500. 3. 7000. 4. 35000 (TIC visitor figures). 5. 800. 6.200	The pub will be open during the day and in the evenings 7 days a week, year round.	The purchase of the first community owned pub in Saffron Walden will be, in itself, a hugely significant event in the town and will demonstrate the power of the community to change things that matter to them. Saving the Railway Arms will endow a large and growing community with the confidence, enthusiasm, skills, knowledge and wherewithall to take action and reverse the trend that has seen six pubs close in the last ten years, with the attendant effect upon the scope of the public domain. Elderly residents will find a welcoming atmosphere and a place to socialise and enjoy regular lunch	Press coverage, social media hits, tweets and likes. Managers diary. Popularity of SWCP Ltd stall at community events. Copycat groups emerging in response to other pub closures. Successful lunch clubs and repeat visits. Entries in a visitors book, reviews in good pub and good beer guides and sites. Sales of Saffron Walden line memorabilia. Charity service user feedback presented to Society general and business	Monthly management committee meetings. Quarterly liaison meetings and staff reviews. Twice yearly general meetings. AGM's
Provide a day centre, function room community space and facilities	1. Clubs, societies and charities. The Camera club, Yoga club, Arts, music and Sports clubs and young mother groups have all played a part in establishing and defending the ACV registration. They are expected to return to the Railway and exploit its enhanced facilities when it reopens. Further specific data is being collected through the ongoing Community Group Questionnaire programme. 2. Performance artists in a folk, jazz club/informal/open-mic type atmosphere. 3. Visual artists	1. 200. 2. 30. 3. 30	Daily, weekly and monthly	Socialising with like minded individuals. Governance benefits in the conduct of group meetings. Performance and Exhibition space and opportunities	Repeat bookings. Successful exhibitions and performance events. Managers diary.	Monthly management committee meetings. Quarterly liaison meetings and staff reviews. Twice yearly general meetings. AGM's
A parcel collection service	Local residents (1) and in particular those residents with limited mobility (2), parents with babies and small children (3)	1. 7000. 2. 200. 3. 1000	Daily, weekly and monthly	Those who currently have difficulty accessing these services in the town centre (downhill) will be able to do so very easily just a few minutes from home.	Maintain delivery and collection records	Monthly management committee meetings. Quarterly liaison meetings and staff reviews. Twice yearly general meetings. AGM's

What 'More than a Pub' service or activity will you provide?	Which group(s) or types of individual(s) will benefit from this? Please list all that apply.	How many people from each group do you estimate will benefit each year?	When, and how frequently, will these group(s) access the service or activity? E.g. weekly, monthly.	What outcomes or benefits will those group(s) experience as a result of accessing this service or activity? Please describe in your own words.	How will you monitor whether these outcomes are being achieved?	How frequently will you monitor whether these outcomes are being achieved?
A Community Café in association with a major, local, established charity to be run by and staffed its clients, beneficiaries and carers.	1. Local residents and visitors 2. Charity service users, families and carers.	1. 3000. 2. 800	Daily	1. The café will extend the service provided by the pub outside of traditional trading hours, offering a wider range of drinks, food, and opportunity for social interaction. This will extend the reach of the current customer base to include parents with babies / small children, parents collecting their children from School and older residents based in the area. 2. In this way business will be enhanced, additional opportunities will be created for employment, work experience and volunteering, and community engagement will be extended. The cafe will provide the charity with an opportunity to integrate its beneficiaries into the wider community and promote	Receipts, feedback, reviews. Entries in a visitors book, reviews in Tripadvisor. Sales of Saffron Walden line memorabilia. Charity service user feedback presented to Society general and business meetings. Local supplier feedback.	Monthly management committee meetings. Quarterly liaison meetings and staff reviews. Twice yearly general meetings. AGM's
Community wellbeing focussed garden. Professional gardeners amongst the society members will work with the community to develop the garden/s and open space in association with the charity so that it can enhance health and wellbeing, involvement, interaction and understanding whilst remaining a working and enjoyable pub garden.	1. Pub users. 2. Charity Service Users. 3. Volunteers. 4. Neighbours	1. 3000. 2. 200. 3. 10. 4. 50	1. Daily (in season). 2. Daily/weekly (throughout the year). 3. Daily/weekly (throughout the year). 4. Daily (throughout the year).	1. Closer interaction and appreciation of Charity Service users. Access to an enjoyable pub garden (the only pub garden in the town big enough not to be considered a smokers bolt hole). 2. Work experience and life skills; enhanced health and wellbeing, involvement and interaction; access to a working and enjoyable pub garden. 3. Satisfaction that derives from volunteering. 4. Improved local environment.	Feedback from professional gardeners to the management committee. Charity service user feedback presented to Society general and business meetings. Customer feedback and reviews.	Monthly management committee meetings. Quarterly liaison meetings and staff reviews. Twice yearly general meetings. AGM's
Make wi-fi available for free. Possibility of using the building/s as a wifi hub for the southside of town in association with local broadband provider (the company that have developed the free wifi access area around the market place).	1. Pub Users. 2. Clubs, societies and charities. 3. Charity service users. 4. Local residents	1. 3000. 2. 200. 3. 200. 4. 5000	Daily	Local customers will be able to access internet and messaging services throughout the day and evening, giving them access to external services which would otherwise be unavailable to them.	Feedback from users.	Daily (minute by minute).

What 'More than a Pub' service or activity will you provide?	Which group(s) or types of individual(s) will benefit from this? Please list all that apply.	How many people from each group do you estimate will benefit each year?	When, and how frequently, will these group(s) access the service or activity? E.g. weekly, monthly.	What outcomes or benefits will those group(s) experience as a result of accessing this service or activity? Please describe in your own words.	How will you monitor whether these outcomes are being achieved?	How frequently will you monitor whether these outcomes are being achieved?
An on-site micro brewery (with Brewery Tours) servicing the bar.	1. Start-up businesses. 2. Pub users. 3. "Beer tourists".	1. 4. 2. 3000. 3. 200	1. Daily. 2. Daily. 3. Weekly	1. Start up businesses will find dedicated premises in a town where appropriate light industrial premises are entirely absent. They will also find a clear route to market. 2. Pub users will find interesting beers available on a regularly changing and adaptable basis. They will also be able to see behind the scenes and learn about the brewing process. 3. As 2.	Joint venture contract. Supply contracts. Customer feedback. Liaison meetings.	Liaison and monthly management committee meetings. Quarterly liaison meetings and staff reviews. Twice yearly general meetings. AGM's
Develop an informal eatery in the stables/hayloft	1. Residents and pub users of the southside of Saffron Walden. 2. Elderly residents of nearby supported accommodation themselves and their families and visitors. 3. Residents and pub users from elsewhere in Saffron Walden. 4. Visitors to Saffron Walden using the hospitality sector. 5. Charity service users including families and carers. 6. "Food tourists" drawn to the	1. 8000. 2. 500. 3. 7000. 4. 35,000 (TIC visitor figures). 5. 800. 6. 400	Daily, weekly	All groups will find reasonably priced, good quality food selecting a range of tastes and global cuisines. Ingredients will, where possible, be sourced from local suppliers.	Receipts, feedback, reviews. Entries in a visitors book, reviews in Tripadvisor. Feedback presented to Society general and business meetings. Local supplier feedback.	Monthly management committee meetings. Quarterly liaison meetings and staff reviews. Twice yearly general meetings. AGM's
A Men's Shed	1. Older men (post retirement). 2. Younger men, women and children interested in making or mending in wood (e.g. carpentry, joinery, turning, carving, whittling, marquetry, furniture renovation), metalworking (milling, sheet metal, welding, etc.) bike repair, gardening, electronics, tool	1. 25. 2. 25	Daily, weekly	All groups. Skill-sharing and informal learning, involvement in individual pursuits and community projects, Sense of purpose, achievement and social interaction. A place of leisure where people come together to work.	Establish a Mens Shed sub group. Press coverage, social media hits, tweets and likes. Managers diary. Purchase receipts for equipment and materials.	Monthly management committee meetings. Quarterly liaison meetings and staff reviews. Twice yearly general meetings. AGM's
Periodic Resident Reviews	All groups noted above		Monthly, Quarterly	Reviews carried out by open days and questionnaires: Has life in the area been improved or adversely effected by the reopening of the pub and the related activities? If so, how? Met more people? Better feeling? Improved atmosphere. Better facilities, access to services, Noise, anti-social behaviour.	Number of returns will indicate that the reviews are being carried out. Positive returns will guide future direction. Negative returns will identify areas to be addressed.	Monthly, Quarterly