

ORCC

Saving the Village Pub

OXFORDSHIRE RURAL COMMUNITY COUNCIL



'We aim to maintain The Bull as a friendly pub, bringing a new central focus to the community' Shareholder, Great Milton



Contents



Introduction	3
What makes a good pub? Why do pubs close?	4
Take action before closure is necessary	5
Community Right to Bid	6
What to do when the pub is put up for sale	8
Premises and Leases	13
Finance	14
Business Planning	17
Legal Structure	18
The Cooperative Model	19
Staffing a community-run pub	20
Employment regulations	21
Legal requirements	22
Publicity and Launch	25
Useful contact information	26

'The Plough is an important part of the village. We don't have a shop, so it is a good meeting place' Shareholder, The Haseley Pub Company



Introduction

The role of the village 'local' as a vibrant social centre at the heart of the community is as important as ever, but the future of the pub in our rural communities is coming increasingly under threat. Changing economic and social factors are making it more and more difficult for the number of rural pubs to be maintained as sustainable businesses.



Each pub closure represents a loss of a local service, a social hub and an employment opportunity; in some cases the closure of the pub signifies the end of locally based services within a community and can threaten the vibrancy of the village itself.

Little surprise then, that many residents are up in arms when the future of their local is threatened, and want to do all they can to keep the pub going, even if it means dipping into their own pockets and buying the pub themselves. The aim of this guide is to set out what can be done to save the pub and where residents can find information and help to retain this vital amenity in their community.

Oxfordshire successes

Over the past few months, the following communities have been successful in saving their local pub:



The Plough, Great Haseley
Rectory Road, Great Haseley, OX44 7JQ
www.ploughpub.co.uk



The Seven Stars, Marsh Baldon
The Green, Marsh Baldon, OX44 9LP
www.sevenstarsonthegreen.co.uk



The Bull Inn, Great Milton
The Green, Oxford, OX44 7NS

'Our pub is the hub, not only of Marsh Baldon, but of the villages and communities around it' Campaigner, Save The Seven Stars



What makes a good village pub?

A good village pub is one which:

- Is run in a professional manner with an emphasis on customer service
- Is run by a friendly, community-focussed landlord
- Is managed proactively and innovatively on a sound business model
- Benefits from regular investment at a sustainable level
- Is supported both by local people and from visitors outside the village
- Is widely accessible to the community for a variety of functions, not just as somewhere to buy a drink or a meal
- Takes an active part in community life



Why do village pubs close?

A combination of factors is likely to contribute to the pub's closure:

- Lack of investment in premises, equipment, technology, staff
- A landlord suffering from fatigue or depression
- Lack of experience, imagination and business drive
- Pub being in the 'wrong' place – the 'centre' of the village has moved with development over the years
- High property prices and challenging finance arrangements present an unattractive return for prospective purchasers
- The licensee is looking to realise their assets, perhaps at retirement
- The pub company or brewery is looking to cut its losses
- Current constraints on consumer spending on leisure activities



'We aim to maintain The Bull as a friendly pub, bringing a new central focus to the community' Shareholder, Great Milton



Take action before closure becomes necessary

As residents, we all have a part to play in ensuring that local businesses continue to thrive; as consumers our choices directly impact on their continuing success. Ideally, the community should be actively supporting the pub on a regular basis in order to keep the business viable. The following suggestions may help to bring the pub business and the community together for the benefit of both:

- Nurture a positive relationship with the licensee – s/he is likely to be a member of the community too and will appreciate a friendly word and genuine concern from customers
- Encourage the licensee to ask for feedback on the services s/he provides so that the provision of food and drink matches the requirements of the customers. Be appreciative when credit is due!
- Encourage the pub to be used for community functions such as coffee mornings, lunch clubs, local society meetings etc.
- If you are undertaking a Community Led Plan in the village, include local amenities such as the pub in the survey to assess community support and the needs
- Encourage diversification – pubs are being used for a variety of uses from community shops, post offices and prescription collection to religious services, bookmakers and local arts and crafts. Contact [Pub is the Hub](#) for inspiration, information and support on the variety of activities available. Contact details on page 26
- Consider registering the pub as an 'asset of community value' with the district council. This is the vital first step in the Community Right to Bid process which came into force in October 12 through the Localism Act 2011 and will ensure that the community is given the option to bid for the pub if it is put up for sale in the future. More information follows on pages 6 -7



'The Plough is an important part of the village. We don't have a shop, so it is a good meeting place' Shareholder, The Haseley Pub Company



Community Right to Bid

The Community Right to Bid allows communities and parish councils to nominate buildings or land for listing by the District Council as 'assets of community value'. When a listed asset comes to be sold on the open market, a moratorium on the sale may be invoked for up to six months. This will provide local community groups with a better chance to raise finance, develop a business plan and make a bid to buy the asset on the open market. Pubs are likely to be amongst assets registered by communities as 'valued'.



The Legislation

The Legislation specifies the following:

- how the District Council must keep a 'List of Assets of Community Value'
- what information must be included
- the definition of an asset and what kind of land and buildings can be legitimately nominated
- the appeals process for land owners
- timescales for groups interested in buying land or property on the list
- compensation available to the owners of land or property on the list

What is an 'Asset of Community Value'

- This is a building or land whose main use furthers the community's social well-being or social interests and is likely to do so in the future. Social interests include cultural, sporting or recreational interests
- Some land or buildings have been exempted from being listed as assets including homes, hotels, assets being transferred between kindred businesses and Church of England land holdings

Who can nominate assets?

- Parish Councils
- Neighbourhood forums
- Unconstituted community group of at least 21 members
- Not for profit organisations
- Any community organisation must have a local connection

'Our pub is the hub, not only of Marsh Baldon, but of the villages and communities around it' Campaigner, Save The Seven Stars



Community Right to Bid

Decisions and appeals

- The District Council must include any eligible asset correctly nominated on its list, and it will remain on the list for 5 years
- If the District Council decides that the nomination doesn't meet its criteria, then it must inform the group who made the nomination and explain why
- A list of unsuccessful nominations must be kept for 5 years
- Landowners can appeal to an independent body, a First Tier Tribunal, if they wish to question inclusion of an asset on the list



What happens when an asset is put up for sale?

- If an owner wants to sell a registered asset, he/she must tell the District Council, who will then inform the nominating body.
- If the nominating body wants to develop a bid, they ask the District Council to trigger a moratorium period during which time the owner cannot proceed to sell the asset. This period will start from the date the owner tells the District Council of their intention to sell.
- This gives the community 6 weeks to express an interest in bidding to take on the asset
- If there is no official interest expressed from the community, the owner is free to sell the asset at the end of the 6 weeks
- If there is an official interest expressed, the community have up to 6 months to prepare the bid and raise the necessary funds
- Within that time the owner can only sell to the community group, but is not obliged to do so. At the end of the 6 month period, the owner can sell to whomever s/he chooses
- There are some exceptions when the Moratorium will not be applied such as sale of assets from one partner to another (for example in a divorce)
- There is a compensation scheme for private property owners who suffer a financial impact from this process

Finding out more

Locality run a hub and advice service called My Community Rights. For more information go to www.mycommunityrights.org.uk

'We aim to maintain The Bull as a friendly pub, bringing a new central focus to the community' Shareholder, Great Milton



What to do when the pub is put up for sale

1. Assess the situation

There will usually be rumours flying around a village, so it is important to get the facts as straight as you can, as soon as possible, to reduce misunderstandings and manage expectation.

First look at the existing business and, if possible, discuss with the owners the **reasons for the potential or recent closure**.



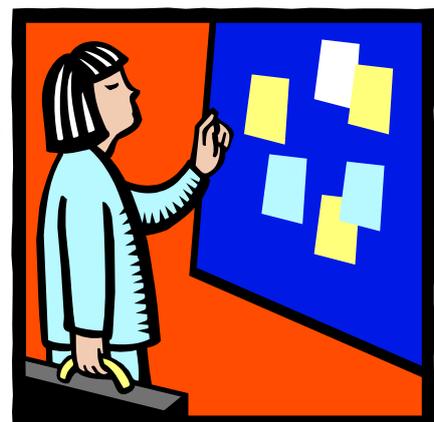
Find out the following:

- Who actually owns the pub
- Whether the owner is trying to sell the business
- If so, who is handling the sale
- Whether the village can help the existing licensee to survive and improve the business
- Whether any physical improvements can be undertaken to the property
- Whether improvements can be made to the current range of goods and services
- Check with the local planning authority whether a planning application has been made for change of use
- Whether the pub is registered as a community asset

2. Consult the community

A successful campaign to save the pub will require strong support from within the community. You will want to **gauge levels of support** and the opinion of villagers, assess public feeling towards the pub and gain guidance from the community on possible courses of action that could be pursued.

It is best to try a **variety of ways** of telling people about the issues such as via village newsletters; parish notice boards; leaflet drops to every house, local service outlets such as the shop, village hall, school, mobile library etc, and by talking to members of existing community groups, particularly those who may already use the pub for their meetings such as Over 70's Lunch Club, the community Coffee Morning, church groups, etc



'The Plough is an important part of the village. We don't have a shop, so it is a good meeting place' Shareholder, The Haseley Pub Company



What to do when the pub is put up for sale

An effective way to raise awareness about the issue and get people involved in the campaign is to **hold a public meeting**. People who attend are likely to expect you to know about the broad issues involved in saving a pub, so do prepare yourself for some interesting questions! Make sure you are clear what you want to achieve from the meeting and that the chairman understands what has to be decided. If possible select a chairman who knows the village well, such as a parish councillor. Make the meeting as accessible as possible by holding it in a recognised meeting place with plenty of room – such as the village hall or the school – and at a time that will suit most people who will be interested in saving the pub. More advice on effective consultation methods is available from the ORCC.



Try to **involve as many of the local community** as possible including people of influence in the village; members of the Parish Council; members of community groups; the current licensee if appropriate. You should also contact your district and/or county councillor and your local MP. Contact a member of the Community Development team at ORCC www.oxonrcc.org.uk who will be able to give you general advice and may be available to attend the meeting to provide information.

You will need people to work together to develop the campaign, so **calling for volunteers** at the meeting is one way of identifying who might be willing to help. It may also be useful to ask people to fill in a form to offer their help and ideas for those who would prefer not to speak out at meetings, but may have valuable contributions to make. Make sure it is clear to whom they should be returned.

3. Set up a steering committee/action group

If there is strong support in the community, a steering committee or action group should be set up to lead on the project. We strongly recommend that the group is formally constituted. This is a straightforward process with no cost attached, and will help you define the project's aims, set out roles within the group and assign people to specific tasks. It will also allow you to open a bank account for the project. Advice on how to constitute your steering group is available from the Development Team at OCVA on 01865 251946 www.ocva.org.uk

Committees should consist of at least three people, up to a maximum of 12. You will need to elect a Chair, Secretary and Treasurer and have members with a broad range of experience and expertise on a range of issues eg accountancy, legal expertise

'Our pub is the hub, not only of Marsh Baldon, but of the villages and communities around it' Campaigner, Save The Seven Stars



What to do when the pub is put up for sale

4. Carry out a feasibility study

There is likely to be an urgency to register local interest in keeping a threatened pub open alongside a need for the group to thoroughly research, cost and appraise the viability of the pub business before proceeding. It is very important to carry out a feasibility study so you can be reasonably sure that



- A pub business is still required in the village
- A community owned venture would work where a commercial venture may have recently failed
- There is sufficient local interest in and commitment to the pub to make a community option a reality

It may be helpful to **divide the steering group into sub-committees** to carry out different aspects of the feasibility study and utilise appropriate talents within the community. A variety of skills such as accountancy; property valuation and surveying expertise; promotion and publicity skills; hands-on experience of running a pub; legal expertise; administration skills; computer/social media will prove very useful!

Ideally, a feasibility study should include a **community survey** which will identify community commitment to the project in terms of time, money and willingness to use the pub. It could identify preferred products and services to be provided by the pub, specify the most popular opening times and suggest diversification activities that could help to improve the pub's viability in the future. If you decide to proceed with the project, potential funders will require this information when assessing your applications for grants/loans.



The survey usually takes the form of a written questionnaire. To ensure a maximum response, the questionnaire should be hand delivered and collected to/from every household. Other ways of surveying the residents could be at a public meeting, asking for responses to be filled in before people leave or an 'open day' in the village to highlight the project and get feedback. Parish magazines can be used to publicise the survey and its importance to the village, or even to deliver the questionnaire itself. It may be that your community has recently completed a community led plan (also known as a Parish Plan) which may provide some of the evidence that you need.

'We aim to maintain The Bull as a friendly pub, bringing a new central focus to the community' Shareholder, Great Milton



What to do when the pub is put up for sale

Other issues to include in the feasibility study are:

- The current state and suitability of the **premises**
- The **cost** of the project and how it will be funded
- The **range of services** to be provided by the pub
- How **turnover** will be maintained and improved
- Assessment of any local **competition**
- A suitable **legal structure** for the business. This might be a social enterprise model which will involve a significant part of the community investing in the venture and adopting an inclusive community ethos where profits are returned to the community (such as a Community Benefit Company, Community Cooperative, Company limited by guarantee or community interest company) or a privately owned company which is more exclusive such as a company limited by shares
- The **purchase of the premises**— freehold or leasehold?
- The **operational model**: will the business owning the premises also run the pub? How will the pub be managed? Maybe the company will work with the current landlord or lease the premises to a tenant to run the business on their behalf. Or the business may be run by a manager with staff and even volunteer help from the community
- Drafting of a **business plan** to show the viability of the proposed project— ideas of what to include in the business plan are given on page 17



Regular meetings will be required for the different sub-groups to report back on their research and make recommendations to the committee. It is likely that there will be more than one option available, so the options should be **reported back** to the community so that all local residents have the opportunity to be part of the decision about how best to proceed.

'The Plough is an important part of the village. We don't have a shop, so it is a good meeting place' Shareholder, The Haseley Pub Company



What to do when the pub is put up for sale

5. Getting the campaign underway

- **Keep the community involved** and up to date with progress, acting as a point of contact for villagers. It helps to keep everyone informed at each stage in order to maintain interest so that they will be ready to get more involved as the project progresses. This can be done at further meetings, via newsletters, village or pub websites, social media
- **Develop a press/PR campaign:** getting support from the local media will be vital in ensuring the success of your campaign. Try getting in touch with your local TV or radio station or perhaps your local paper would be interested in covering your campaign or even backing you. Any heightened media interest you can get will only serve to increase the number of people who hear about what you are trying to achieve. When issuing a press release you should always provide contact details of spokesperson for your campaign and ensure they are available to take media calls.
- **Publish a campaign newsletter:** it can take several months for a campaign to save a local pub to be successful, particularly where an owner refuses to sell or there is a lot of fundraising to do. A regular newsletter is a good way of maintaining the enthusiasm of supporters. It is not unknown for owners to keep a pub closed for years, refusing to sell, in the hope that opposition will fade away and that they will be successful in gaining planning permission
- **Liaise with outside agencies** that can provide specialist advice and help that you may need. Contacts are listed on pages 26, 27
- **Read up about other community pubs** to learn directly from those who have already done it



'Our pub is the hub, not only of Marsh Baldon, but of the villages and communities around it' Campaigner, Save The Seven Stars



The Premises

Surveying the premises

The premises should be surveyed and valued professionally before making an offer to buy or lease the property to ensure that you are paying a reasonable price for the property and that you are fully aware of any work that is required to be done and the costs involved. Any renovation costs must be factored into the financial forecast. There may be someone in the village with the appropriate professional expertise that will be willing to do this work for free or at a reduced rate.



Consider other practical aspects of the premises such as their suitability for activities you may want to introduce, the parking arrangements and the upkeep of the car park, how close you are to domestic dwellings and whether this may cause friction at closing time, the upkeep of any garden premises, play area etc

Once you have responsibility for the building, you will need to arrange insurance to cover damage or theft of the building and its contents.

Leases

If you are considering taking on the tenancy of a pub business from the pub owner or as owner of the premises you are renting it out to a tenant, then you will need to have the commercial arrangement set out in a lease. This will include details of trading arrangements, property repair responsibilities and other legal requirements for both parties. It is important that the lease is drawn up by a solicitor, is examined carefully and understood by both parties before signing.



If you are the lessee, ask a solicitor to review the terms of the lease and advise on any points that may be negotiable. Again, there may be someone in the village able to provide this service for you. Any legal costs must be factored into the financial forecast.

'We aim to maintain The Bull as a friendly pub, bringing a new central focus to the community' Shareholder, Great Milton



Finance

The Fighting Fund

Even doing the work required to get to the point of deciding whether to pursue the project or not will involve a number of costs. Asking for donations at the village meeting is a good way to start this, but it may require a more direct approach to pub supporters in the community if the costs start to escalate!

If you are planning to purchase the property it is likely that you will need to raise thousands of pounds to do so. This is often the task that causes the project to delay, or even falter, so deciding how best to raise the funds as quickly as possible will be a priority.



1. Community fundraising

Funders will look for evidence of financial support for your project from within the community. This can be done in several ways:

- Traditional fundraising events such as coffee mornings, sales, dances, auctions of promises etc. These can be a good way of involving the community but are not always a good return on effort!
- Community investment by making gifts or donations to the fund
- Community investment through loans with return ~ you will need to consider how returns will be calculated
- Share purchase ~ depending on the structure of the enterprise (see 'Legal Structure' below)

In some villages the pub has been saved by one or two individuals purchasing premises and leasing space to the community

2. Grants

The 'Oxfordshire Guide to Funding Opportunities' lists a range of local funders including district and county councils and is available to view at www.oxnet.org.uk. It is produced by OCVA (Oxfordshire Community and Voluntary Action) whose Development Team will be able to guide you through the appropriate funding available to your group. T: 01865 251946

Oxfordshire County Council has a summary list of funding opportunities, including County Councillor Community budgets, on line at www.oxfordshire.gov.uk [Funding and grants | Oxfordshire County Council](#)

'The Plough is an important part of the village. We don't have a shop, so it is a good meeting place' Shareholder, The Haseley Pub Company



Finance

Grants continued

South Oxfordshire Capital Grant Scheme: Community Investment Fund (CIF)

South Oxfordshire District Council offers grant to capital community projects in South Oxfordshire through its Community Investment Fund (CIF). Approximately £1,000,000 per year is distributed in capital grants and the council offers small grants to applications requesting under £15,000 (two application periods per year) and large grants to applications requesting between £15,000 and £100,000 (one application period per year). Grants will be made for up to 50% of a community based project. Guidance notes for the scheme can be downloaded from the SODC website www.southoxon.gov.uk Community Investment Fund (CIF) - South Oxfordshire District Council



Public Works Loan

The Parish Council may be able to access a Public Works Loan which could be passed to the community organisation in the form of a grant. Details and advice on obtaining loans from the Public Works Loan Board are available from the Oxfordshire Association of Local Councils (Tel: 01491 823118; email info@oalc.org.uk) who will be able to advise on the ways that a Parish Council can support a community owned business such as community-run pub.

3. Community Shares

Accessing grants to set up a community business is becoming more difficult, so more communities are looking to community investment as a way of raising the funds required. Community investment is defined as 'The sale, or offer for sale, of more than £10,000 of shares or bonds to communities of at least 20 people, to finance ventures serving a community purpose.' Community shares are a unique form of share capital which are 'withdrawable'. Whereas other shares are transferable and sold to realise their value, with community shares the only way to get back your investment is through withdrawing your money from the business and returning the shares to the business. Further information is available from the community shares website www.communityshares.org.uk

The only businesses that can issue withdrawable shares are those set up as IPS (Industrial and Provident Society). The Plunkett Foundation is a national rural social enterprise support organisation and is one of only four sponsoring bodies to have the appropriate Model Rules to undertake a Community Share Issue. Contact them for guidance and support on 01993 810730 or through their website www.plunkett.co.uk

'Our pub is the hub, not only of Marsh Baldon, but of the villages and communities around it' Campaigner, Save The Seven Stars



Finance

4. Commercial borrowing/soft loans for Social Enterprise

There are a number of organisations which lend to social enterprises. These are often referred to as 'Community Development Finance Institutions' or CDFIs. The main CDFIs in England and Wales are:

ICOF (Industrial Common Ownership Fund)

Tel 020 7251 6181 Website: www.icof.co.uk

Local Investment Fund

Tel 020 7680 1028 Website: www.lif.org.uk

Charity Bank

Tel 01732 774 040 Website: www.charitybank.org.uk

Triodos Bank

Tel 0117 973 9339 Website: www.triodos.co.uk



More information can be obtained from the **Community Development Finance Association**

020 7430 0222 Website: www.cdfa.org.uk

UK Social Investment Forum

020 7405 0040 Website: www.uksif.org.uk

The Co-operative Bank is also generally sympathetic to community ventures and it may be worthwhile approaching other High Street banks to see what deals are available.

When considering lending money to a community shop venture, the following will be taken into account:

- The amount of the villagers own financial contribution to the scheme
- The quality of the proposed management committee or shop manager
- The historic performance of the shop and anticipated projections
- The potential for the business to be able to repay the loan if successful

'We aim to maintain The Bull as a friendly pub, bringing a new central focus to the community' Shareholder, Great Milton



Business Planning

Preparation of a realistic business plan is essential

A Business Plan is a statement of the project's aims and projected viability and will be required by grant aiding bodies, private and commercial lenders as well as providing a framework for everyone involved. If you are looking to set up a community business, it is sensible to give everyone a chance to have an input into the business plan – this will help everyone feel that they 'own' the plan. It need not be a lengthy document; just a clear statement of the project's aims and it should be revisited and revised as the project develops.



A business plan should include the following:

Mission Statement

Objectives of the project

Background information – size of village, other facilities, proximity to other centres, access to public services etc

History of the pub in the village/ current pub profile – description of the premises, location, opening hours, existing customer offer, staffing, current trading position, marketing history

Community pub proposals including information about proposed ownership model, premises, cost, legal structure, staffing structure, services to be offered, target groups, opening hours

Profitability – provide details of how any surplus will be spent and when the business will be in a position to pay off any loans

Financial information This will be scrutinised in some detail, so ensure that the figures provided are as accurate as possible. Sales predictions should be realistic. Include capital set up costs, current financial position and a cash flow projection

Cash flow projection - You will need to set out the projected income of the pub - ideally, you should be able to ask the existing/previous publican for a copy of their latest annual accounts.

There will be a range of fixed costs that you will need to take into consideration including rent/mortgage payments, utilities, postage & stationery, refuse collection, repairs and renewals, publicity and promotion, business rates, staff costs, accountancy and other professional fees, insurance

Details of the management team – highlight the skills and strengths of the management team to present a professional and confident image

'The Plough is an important part of the village. We don't have a shop, so it is a good meeting place' Shareholder, The Haseley Pub Company



Legal Structure

Choosing the correct organisational and legal structure for your pub is important. It is advisable to take professional advice to decide what the best choice is for your community and to guide you through the steps you need to take. You will need to decide on what sort of business the community wants to operate; this could be, for example, a co-operative or community business, with investment from across the community and any profits being redistributed back to the community. Or you may decide that a private limited company would best suit your particular situation, where a few people purchase the premises in order to preserve the pub for the community, but take on the ownership and risk themselves.

The ethos behind the company will help to define the **structure**, giving the business a **legal status** and a **constitution** which sets down the rules by which the business will be run. It is strongly recommended that any community-owned venture is legally incorporated because it provides:

Limited liability status and equality of risk

Members are protected through corporate ownership of property and contracts - it is the corporate body that is fully liable for its debts and this does not transfer to its members, so members only risk losing their original equity investment (if they are shareholders) or if the organisation has a guarantee structure, the amount they guaranteed.

Members of an *unincorporated* organisation are *jointly and severally liable* for all the actions of the organisation, so if the organisation is unable to repay any debts, any of its members could be held liable to repay the debt in full.

A secure structure for equity investment

Any funders will insist that applications come from groups that have set up or are in the process of setting up an appropriate legal structure. Any investors will require a registered business to have been established before making an investment.

There may be a solicitor or accountant in your community willing to undertake this part of the project for the committee on a voluntary basis; or a local practice may be willing to offer a reduced rate. If you want to know more about setting up a social enterprise or cooperative, free advice is available from several organisations including ORCC, Plunkett Foundation and Cooperative Futures (contact details on page 26)

'Our pub is the hub, not only of Marsh Baldon, but of the villages and communities around it' Campaigner, Save The Seven Stars



The Co-operative Model

If you want to ensure that as many people as possible from your community have the opportunity to contribute to the ownership and running of the village pub, the Co-operative Pub model is one to consider. Membership shares are offered for sale at a level that the majority of the community will be able to afford and the business is set up on a democratic 'one member, one vote' basis which gives each member the same voting power, regardless of the size of their investment in the business. This model means that the ownership of the pub is in the hands of the community and the community itself will have control over what happens to the pub in the future.



Like a privately owned company, the cooperative pub will aim to be profitable; the difference will be in how it uses its profits. Whereas the private enterprise will be distributing profits amongst its shareholders only, the cooperative will be able to distribute profits amongst its members, reinvest in the business or distribute funds for the benefit of the community.

The Co-operative will have the options of running the pub themselves with either paid staff and/or volunteers; or leasing the business to a tenant to run the pub on their behalf. By involving as many people as possible in the business, there is likely to be greater support and interest in the success of the pub than when it was owned on a commercial basis for the benefit of the owner. It is also more likely to offer services and facilities that the community wants.

Advice and guidance on social enterprise models are available from

ORCC 01865 883488 www.oxonrcc.org.uk

Co-operative Futures 0845 4562506 www.co-operativefutures.coop

Plunkett Foundation 01993 814377 www.plunkett.co.uk

Information on company formation is available from:

Companies House Tel 0870 3333636 <http://companies-house.gov.uk>

Further information on co-operative enterprise is available from

Co-operatives^{UK} Ltd (0161 246 2900) www.uk.coop

'We aim to maintain The Bull as a friendly pub, bringing a new central focus to the community' Shareholder, Great Milton



Staffing a community-run pub

How the pub is staffed will depend upon the level of turnover, financial viability and the structure of the business model. Employing paid staff avoids many of the pit-falls of using volunteer labour such as the organisation of rotas, allocation of tasks, availability and sustained commitment. However, the business is likely to be open for long hours which will require a lot of staff that may prove too expensive to afford.



If you employ a manager (paid or voluntary) make sure there are clear guidelines on how you want the pub to be run, performance targets, appraisal systems etc. Whilst each pub will develop its own operational systems, a broad guideline of roles and responsibilities is given below:

Overall management (Management Committee)

Financial issues: PAYE, VAT returns, annual accounts, management of bank accounts, stock taking, and settlement of major accounts. Investment in new equipment/services and business expansion

Policy decisions: pricing policy, purchasing policy, staff contracts and training, Health and safety issues, security procedures, publicity & promotion

General management (Manager)

Stock ordering, control, rotation and display, checking invoices/delivery notes, promotion of goods and services to maximise sales and profitability, end of day cashing up/preparation of floats; banking of takings

Staff/volunteer rota, opening and closing the pub, maintaining high standards of cleanliness throughout the pub, day to day management of business

Volunteers

Volunteers can be a vital resource in a community-owned business, contributing their time in a variety of ways from working in the business to sitting on the management committee or giving professional expertise. OCVA (Oxfordshire Community and Voluntary Action) has a collection of factsheets from Volunteering England available to download from their website <http://www.ocva.org.uk> and their Volunteer Centre maintains a record of volunteers looking for opportunities and a facility for you to advertise for volunteers. They also run training courses on engaging and managing volunteers.

Insurance

You will need to arrange Employers' Liability Insurance and Public Liability Insurance to ensure that your staff and customers are covered against injury

'The Plough is an important part of the village. We don't have a shop, so it is a good meeting place' Shareholder, The Haseley Pub Company



Employment Regulations

Contract of Employment

A contract of employment is an agreement between the employer and the employee, the terms of which bind both sides until it is ended or until the terms are changed by mutual agreement. The contract may be a verbal agreement; but employees are legally entitled to be given a written statement of employment within two months of their start date. The written statement sets out the particulars of an employee's employment including pay, hours of work, holiday entitlement, sick pay arrangements, notice periods and any information about disciplinary and grievance procedures. Go to www.businesslink.gov.uk for help to produce a written statement.



National Minimum Wage

This sets out the hourly rates for workers below which pay must not be allowed to fall. Changes usually occur annually on 1st October. From Oct 2012 the rates are £6.19 for 21 and over, £4.92 for 18-20 year olds and £3.64 for 16-17 year olds; these are due to rise in Oct 2013. Further information at the Revenue and Customs Website www.hmrc.gov.uk or call 0845 6000 678 (enquiries) 0845 8450 360 (info)

PAYE (Pay As You Earn) and NIC (National Insurance Contributions)

PAYE is the system that HM Revenue & Customs (HMRC) uses to collect Income Tax and National Insurance contributions (NICs) from employees' pay as they earn it. Employers have to deduct tax and NICs from their employees' pay each pay period and pay Employer's Class 1 NICs if they earn above a certain threshold. Payments are made to HMRC monthly or quarterly by the 19th of the month; late payments may attract interest. Employees should be registered with HMRC in advance of the first pay day. Guidance is available at website www.hmrc.gov.uk

Payslips

Paid members of staff must receive a pay statement (payslip) at or before the time they are paid. This can be in either paper or electronic format and must show each employee's gross pay (before tax), any deductions and the net amount payable after the deductions have been made. At the end of each tax year, an employee must receive a summary of their pay and deductions on form P60 in paper form.

Holiday Entitlement

All employees, full or part time, have the legal right to paid leave from work. The current entitlement is 28 days per year. Entitlement builds up as soon as they start work and any untaken holiday entitlement should be paid when they leave.

'Our pub is the hub, not only of Marsh Baldon, but of the villages and communities around it' Campaigner, Save The Seven Stars



Legal requirements

Licence to sell alcohol

Under the Licensing Act 2003, separate licenses are required for the premises and for the individual. A premises licence allows alcohol to be sold from a particular place; a personal licence allows an individual to sell, or give authority to sell, alcohol from any licensed premises. The Premises licence runs for the lifetime of the business. There is an initial fee for licensing the premises and an annual fee for renewing the licence. The fees are set according to the Business Rates band of the premises.



A Personal licence holder is able to sell alcohol from any licensed premises. The current cost of a personal licence is £37 and is valid for ten years. All licence holders must have the appropriate licensing certificate which can be gained by attending a one day course. You are not required to have a personal licence to work in a pub, but there must be at least **one** appointed Designated Premises Supervisor (DPS) per licensed premises, who will be held as the person in overall charge of the premises. He/she must be a personal licence holder and is usually the pub manager. The DPS does not have to be on the premises at all times, but must take responsibility for what happens on the premises. The DPS is responsible for ensuring that staff and volunteers have full understanding of the Licensing Laws and that they are fully trained to sell alcohol.

The responsibility for the licensing of both premises and individuals to sell and supply alcohol is with the District Councils. All application forms and information can be obtained by contacting the Licensing Department of the relevant District Council. Applications for personal licence holders must be made to the council for the district in which they live, not to the council in the district in which the licensed premises are situated. To apply for a licence, you will need to complete an application form and send it to your local council, along with the fee. You may also need to send copies of your form (depending on the type of application you are making) to the police and other 'responsible authorities'.

For further Information: visit the GOV.UK website www.gov.uk/alcohol or contact the licensing department of the local District Council—see page 20 for contact details

Selling to customers under the age of 18

It is illegal to sell alcohol to anyone under the age of 18. If unsure ask the person their age or ask for proof of age which has a photo, name, date of birth and signature. Consider implementing an ID scheme such as CitizenCard. Any sales which are refused should be entered in the pub diary/log book or the 'Refusals' book.

'We aim to maintain The Bull as a friendly pub, bringing a new central focus to the community' Shareholder, Great Milton



Legal Requirements

Food Hygiene and Food Safety

All food related businesses must be registered with the **Environmental Health Department** at your District Council who should always be consulted before introducing new services. The Environmental Health Officer (EHO) will be happy to advise you on current legislation and be able to answer any of your questions and can be contacted at your local council offices (see contact list on page 27).



Any premises you are using to prepare food in will need to have been inspected and accredited with a Food Hygiene rating, including any home kitchens. Each food business is awarded a 'star rating' indicating the level of food hygiene evident at the time of inspection. You will also be required to have written procedures to ensure safe handling of food on the premises.

'Safer Food, Better Business' provides lots of free information about maintaining a safe and healthy environment in catering businesses. You can download it from the Food Agency website: www.food.gov.uk

If you are preparing and serving foods in the pub, at least one person should have a basic qualification in food hygiene and take responsibility for ensuring that other staff/volunteers are following the required procedures. The EHO will be able to advise you on the level of certification required, how you can qualify and details of available courses.

All food handlers must be supervised and instructed and/or trained in food hygiene matters to a level appropriate to their job. Basic hygiene principles include:

- Food preparation areas are kept clean and as clear as possible
- Separate washing facilities are provided for hand washing and food/utensil washing—there should be two separate sinks & towels provided
- Staff must regularly wash their hands and wear clean clothes/aprons
- Staff should be fit for work at all times
- Staff should report if they have any cuts or sores; any skin cuts must be completely covered using 'blue' dressings
- Anyone suffering from sickness or diarrhoea should not prepare or serve food less than 48 hours after symptoms have stopped
- Ingredients should be known so that allergy sufferers can be informed of potential hazards

*'The Plough is an important part of the village.
We don't have a shop, so it is a good meeting
place'* Shareholder, The Haseley Pub Company



Legal requirements

Health and Safety

The business must have a health and safety policy and have the necessary procedures in place to comply with the law. Whilst overall responsibility for health and safety control rests with the management, it is the responsibility of all to ensure that the pub is a safe place to be. Since health and safety legislation requires both employers and employees to comply with certain minimum requirements, both can be held responsible if they fail to do so.



The legal requirements are:

- A written health and safety policy
- A written risk assessment
- A record of the significant findings of the risk assessment
- Consulting with staff and volunteers on health and safety matters
- The training of staff and volunteers on health and safety matters
- Displaying of a current employer's liability insurance certificate
- Displaying the 'Health and Safety' Law poster
- Recording and reporting as necessary any injuries and accidents – in an accident book available from the HSE or commercial booksellers

Health and safety topics which are relevant to pubs include:

- General practices and procedures
- Preventing slips, trips and falls
- Manual handling
- Control of substances hazardous to health (COSHH)
- Good housekeeping and standards of cleanliness
- Food handling regulations
- All aspects of fire safety and risk assessment
- All aspects of security, both of premises and personnel
- First Aid provision
- Reporting of accidents including RIDDOR
- Noise at work
- Use of electrical equipment

For further information contact HSE Books, PO Box 1999, Sudbury, Suffolk, CO10 2WA
Tel: 01787 881165 Fax: 01787 313995 www.hsebooks.co.uk
HSE Infoline: Tel: 08701 545500 www.hse.gov.uk

'Our pub is the hub, not only of Marsh Baldon, but of the villages and communities around it' Campaigner, Save The Seven Stars



Publicity and Launch

Publicity and promotion are all important to the success of your project, not only when you start the campaign, but right through its development to the eventual opening. Keeping people informed will help to encourage long term interest in the project. Transparency and easy access to information will inspire community confidence in the project



You can do this by:

- Appointing a 'Press Officer' on the management committee
- Holding special events to report on progress
- Organising leaflet drops in the community and in surrounding areas
- Publishing articles in the village newsletter
- Publishing a page on the village website and regularly updating it
- Developing a Facebook page or Twitter account to keep people updated quickly—particularly useful if you are trying to engage younger people. ORCC has published toolkits on how to set up accounts on Facebook and Twitter, available to download from the website www.oxonrcc.org.uk
- Announcing events on the community noticeboard, school notice board, in the local shops and post office
- Informing local and national press of your success

Devising a logo or strapline that will easily identify your project will help to promote your cause effectively.



Once you are ready to open, you will want to hold a celebration event to show off your new asset and thank everyone for their contribution. It is usually advisable to hold this some weeks after trading has commenced in order to allow time to address any initial hitches. Plan to hold it at a time that suits most people—weekends are an obvious choice!

Inform the local press and invite them to meet with you. A press release should include the following:

- The name and the location of the project
- Contact name and details
- An interesting quote or catch line
- Why and how the project was set up
- Any special mentions/appreciations

'We aim to maintain The Bull as a friendly pub, bringing a new central focus to the community' Shareholder, Great Milton



Sources of information, advice and support

Pub is the Hub

www.pubisthehub.org.uk

Operates as a 'not-for-profit' organisation dedicated to offering advice and support to licensees, rural pubs and community services

CAMRA

www.camra.org.uk

The Campaign for Real Ale website has a 'Campaigns' section with lots of information about Saving Your Pub



Pubs Advisory Service (PAS) www.pubsadvisoryservice.org.uk

Set up to provide information for those looking to lease or rent a pub from one of the many pub companies or family brewers who run property estates in the UK. Some issues covered will also be useful to people wanting to buy a freehold

Oxfordshire Rural Community Council (ORCC) <http://oxonrcc.org.uk>

For information about how to consult people in your community and get them involved in community action or support in setting up a community pub contact the ORCC's Community Development Team T: 01865 883488 orcc@oxonrcc.org.uk

Oxfordshire Community and Voluntary Action (OCVA) <http://www.oxnet.org.uk/>

For information about funding and project management contact the OCVA Development Team <http://www.oxnet.org.uk/> T: 01865 251946 E: funding@ocva.org.uk
For information about volunteering, contact the OCVA's Volunteer Centre
E: vol@ocva.org.uk

Plunkett Foundation

www.plunkett.co.uk

A national organisation supporting rural communities to establish a wide range of community-owned services including pubs and shops. They host a service called Cooperative Pubs Online www.pubs.coop

Community Shares

www.communityshares.org.uk

A range of publications and factsheets on raising finance within your community for a co-operative business

Cooperatives UK

www.uk.coop

Works in partnership with organisations that help co-operatives to start up and grow their business. Website provides lots of information about the cooperative business model

'The Plough is an important part of the village. We don't have a shop, so it is a good meeting place' Shareholder, The Haseley Pub Company



Sources of information, advice and support

The Co-operative Enterprise Hub www.co-operative.coop/enterprisehub

Works in partnership with organisations that help co-operatives to start up and grow their business. Website provides lots of information about the cooperative business model

Trading Standards Service <http://www.oxon-tss.org.uk>

Oxfordshire County Council Trading Standards Service offers advice and guidance on a range of issues including regulations relating to food labelling, price marking, weights and measures, age restrictions relating to the sale of goods and the Business Names Act E:trading.standards@oxfordshire.gov.uk; T:01865 815000



Food Standards Agency www.food.gov.uk Guidelines on legal requirements for food safety

Local Food Group www.local-food.net Database of local food producers in Buckinghamshire, Berkshire and Oxfordshire

Health and Safety Executive www.hsebooks.co.uk For a range of booklets and materials on all aspects of health and safety

District Councils

The main switchboard numbers for district councils in Oxfordshire are given below - ask for the relevant department eg. Environmental Health, Business rates, Economic Development, Licensing

Cherwell DC	01295 252535	www.cherwell-dc.gov.uk
South Oxfordshire DC	01491 823000	www.southoxon.gov.uk
Vale of White Horse DC	01235 520202	www.whitehorsedc.gov.uk
West Oxfordshire DC	01993 861000	www.westoxon.gov.uk
Oxford City Council	01865 249811	www.oxford.gov.uk

HM Customs and Excise www.hmrc.gov.uk Help and guidance on income tax and national insurance contributions 0845 60 70 143

Businesslink www.businesslink.gov.uk Information and tools for small businesses

About ORCC

Oxfordshire Rural Community Council works to enable rural communities across Oxfordshire to be more socially, economically and environmentally sustainable. Equality of opportunity is central to all our activities.

We can...

- ◆ Support you to identify issues that affect your community
- ◆ Encourage you to find your own solutions
- ◆ Help you to increase community participation in activities
- ◆ Provide you with advice on a wide range of rural issues

ORCC Website

www.oxonrcc.org.uk

ORCC is a company limited by guarantee (no. 2461552) and a registered charity (no. 900560)

Registered office:

**Jericho Farm, Worton,
Witney, OX29 4SZ**

Tel: 01865 883488

Fax: 01865 883191

Email: orcc@oxonrcc.org.uk

About OCVA

Oxfordshire Community and Voluntary Action is an umbrella body for voluntary and community groups in Oxfordshire.

Our mission is to enable a diverse voluntary and community sector to flourish in Oxfordshire.

We do this by...

- ◆ Providing advice, information and training
- ◆ Acting as advocates and representatives
- ◆ Building partnerships

OCVA Website

www.oxnet.org.uk

OCVA is a registered charity (no. 1108504) and a company limited by guarantee (no. 5363946)

**The Old Courthouse, Floyds Row,
Oxford OX1 1SS**

Tel: 01865 251946

Fax: 01865 204138

Toolkit produced by Jane Barker (ORCC)
as part of a 1 year joint project between
Oxfordshire Rural Community Council and Oxfordshire Community and
Voluntary Action to support communities in Oxfordshire
to take action and develop a more effective voice

The project is funded by the Local Area Agreement Reward Grant

