

# The Business Plan



**The Chequer Inn Ash Society**  
**A Community Benefit Society**  
Registered with the Financial Conduct Authority No. 7604



**Version 2 September 4<sup>th</sup> 2018 Amended January 25<sup>th</sup> 2018**

Produced and published by The Chequer Inn Ash, Society

[www.savethechequerinn.co.uk](http://www.savethechequerinn.co.uk)

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## 1 A Message from Our Chairman

Perhaps unsurprisingly, a recent study of almost 284 parishes, (consisting of villages and hamlets of up to 3000 people) by professors at Newcastle Business School and Leeds University has conclusively found that villages without a pub, offering suitable premises and food, were prone to a lack of social cohesion. Conversely, those villages which had a suitable pub had the highest sense of wellbeing, happiness and social cohesion. In fact, the presence of pubs was so important, the study concluded, that ‘their importance grew two and a half times on the community cohesion index during the last ten years’.

This is ‘perhaps unsurprising’ because we, as a nation, have known this for generations. Samuel Pepys described community pubs as ‘the heart of England’; and today, little has changed, they remain an integral part of thousands of communities.

The challenge we face as a village is this: To what extent do we want a community which presents those qualities which define those villages which have a suitable pub? Someone once said, ‘A community should be like a ship, everyone ought to be prepared to take the helm’.

The Chequer Inn Ash Society has been partially successful in raising money, but we, as a community, need to do a lot more. Are we prepared to invest our money and time in order to make Ash an even greater place to live, offering social cohesion and a sense of well-being?

This document sets out the business case for the purchase and reopening of the Chequer Inn. As stated in the aims of the Chequer Inn Ash Society ‘... *to return it to its purpose and standing in the Village*’.

**The Reverend David Moulden**  
**Chairman of the Chequer Inn Ash, Society**



## 2 Overview

- Currently, the Chequer Inn Ash (known in this document as the Pub or as The Chequers) is owned by a local developer, Towns Hotels Limited and HTW Construction Limited ('the Owners'). The owners bought the Pub from Punch Taverns in September 2014 for £188,000
- The owners applied to develop the Chequer Inn into two residential properties by building a detached house in the garden and developing the pub into a residential dwelling. This development is contained within the village Conservation area. Dover District Council (DDC) rejected this application in February 2016
- Together with support from Ash Parish Council and DDC the Chequers was declared an Asset of Community Value on 12<sup>th</sup> February 2016
- This was followed by the creation of The Chequer Inn Ash, Society a Community Benefit Society (referred to in this document as the 'Society'). The aim of the Society is to purchase the Chequer Inn and return it to its function and standing in the village. The work of the Management Committee to date is available in **Appendix 7**
- The Chequer Inn Ash Society is registered with the Financial Conduct Authority (no 7406) and have a set of Model Rules (available at [www.savethechequerinn.co.uk](http://www.savethechequerinn.co.uk))
- The village does have one other operating pub on the west side of the village, *The Volunteer* which is orientated towards a regular drinking clientele and does not provide meals. The landlord does not see the reopening of the Chequer Inn as a threat. Further to this our surveys indicate the need for a family friendly environment with a range of refreshments on offer. An operating pub with a central village location will provide wider social benefits to villagers and local visitors
- Following successful purchase of the pub the Chequer Inn Ash Society will become the landlord and will benefit from the rent paid by the tenant
- The market value of the property has been estimated at £340,000 by the agent, Sidney Phillips
- The Society has undertaken its own valuation and received advice from Mr Howard Day of Messrs. Davis, Coffers and Lyons of 52 Portland Place London W1B1NH, specialists in public house valuations
- This valuation estimates the pub to be worth £242,375 but it requires refurbishment estimated at £90,000 to enable it to fully reopen and trade
- The community is keen to retain the pub at the heart of the village. With the knowledge of its value, the pledges and available loans and grants, the Society has offered £250,000 to purchase the Chequers from the owner through the Agent and Solicitor
- The Society intends to finance its purchase of the Chequers through **three** main sources of funds:



- ❖ Grants and loans from charitable trusts and other organisations
  - ❖ A sale of withdrawable interest bearing shares to the public
  - ❖ Other grants and donations
- The Society is a member of the Plunkett Foundation through their 'More than a Pub' programme, currently one of 80 projects in the UK which can apply for their financial support. This funding is supported by the Power to Change and the Department of Communities and Local Government
  - An approach to the community to ascertain the level of support available for a Community Share Sale has received pledges totaling £80,000
  - Shares will cost £100 each and the minimum subscription would be for 1 share. The maximum allowable subscription would be for 1000 shares
  - Once the business is running successfully and has made sufficient profits it is envisaged that there will be interest paid to shareholders but this will not be until the fourth year. The rate of interest paid will be recommended by the Society Management Committee and voted on at the Annual General Meeting by its members. All shareholders will be members of the Society
  - The Society rules state the rate of interest paid shall not exceed 5% or 2% above the Bank of England base rate. All payments would be made gross of tax.
  - Shares would be eligible for withdrawal from the end of year 3, subject to approval of the Society Management Committee. **Any withdrawal must be given on 3 months' notice and must not endanger the viability of the Society**
  - Once the pub is purchased, the Society believe that further financial support, including grants, would be available for improvements to the pub, for example improved toilet facilities (including wheelchair access)
  - In addition, the Society expects to be able to benefit from the deep skills base in the parish to add value to the fabric of the pub through the provision of time and labour as identified in our surveys

This model of a community interest company successfully purchasing a pub has been put into practice at Hudswell North Yorkshire. This Pub has recently been named CAMRA Pub of the Year 2017.

<http://www.independent.co.uk/life-style/camra-national-pub-of-year-2017-george-dragon-hudswell-yorkshire-campaign-real-ale-beer>



### 3 Background to the concept of purchasing the Chequer Inn

Commanding a central position in the village of Ash, the Chequer Inn is a 16th Century coaching inn and now released from any tie to a brewery can be considered a Free House. The Chequer Inn was accorded Grade II listed property status in 1952. It is perhaps for this reason that the community has been unable to accept the closure and demise of this ancient hostelry. The plans for growth in the village through new housing developments are in contrast to the poor amenities available to residents such as café restaurant and family pub.

The village of Ash is situated within the ward of Little Stour and Ashstone which is the largest area in the Dover District but the least densely populated ward. The village is surrounded by rural farmland, typical of Kent with a mix of fruit, cereal growing, and sheep and cattle farming (see maps and location in **Appendix 1**).

According to the 2011 census approximately 30% of members of the village community are economically inactive including retirees, those with long term sickness, students and those looking after family members at home. Just 3.2% are unemployed while 37% work full time, 15% part time and 12% are self-employed. Six percent of the community described their health as bad or very bad, which is slightly higher than the average for England.

Additionally, and in common with many other rural communities, the average age of the population is increasing. At first glance, therefore, the situation is set for a slow yet steady decline of amenities such as this pub of the sort seen all too frequently elsewhere.

However, by a mixture of good fortune and hard work, Ash finds itself in a relatively strong position. Communities tend to revolve around certain key amenities and facilities and Ash currently benefits from the following:

- **Schools and Sports clubs:** There are two primary schools in the village; the Church of England Aided Cartwright and Kelsey School and St Faith's private Preparatory School and Nursery. Communal playing fields containing an enclosed children's' play area, football and rugby pitches plus 2 tennis courts are situated on the Recreation ground beside the village allotments and alms houses. Elsewhere there is a thriving bowling club and an active Scouts group.
- **Local commercial activity:** The village has two thriving grocery stores open until 9 and 10pm, one of which contains the Post Office. The village also has a variety of businesses: a pharmacy, physiotherapy clinic, doctors' surgery, two hairdressers / beauty salons, a garage, agricultural engineers, estate agency, florist, gift shop and a farm shop not to mention a number of small enterprises. However, there is only one prepared food outlet which is a kebab take-way.
- **St Nicholas Church:** Ash is dominated by the Church of St Nicholas, once a beacon at the time of the Spanish Armada, standing at the highest point in the village. The Church has a thriving Friends group committed to fundraising for the fabric of the Church through regular events and the annual Art Exhibition
- **Village Hall:** Ash Village Hall contains the award winning Heritage Centre and is home to the Brownies and the KCC Library three times a week. The Hall also provides facilities for many other groups which bring people into the village such as; puppy training, Yoga Zumba, WI, KCC Library, singing groups and the successful Ash Players amateur dramatic group. Most community hosted events are convened in the Village Hall, from quiz nights to



- Coffee mornings and the horticultural show as well as society meetings and horticultural shows.
- **Public House – The Chequer Inn:** There has been an inn or pub on the site of the Chequer Inn for over 340 years. Although there is another pub in Ash, the Volunteer, by its own admission it caters for a different client group who neither demand food or a family friendly environment. There is scope for both and indeed our surveys indicate this pressing need within the community. The series of tenants, in the past, have been challenged by the demands of the PubCo to make the Chequer Inn successful which has resulted in the penalty of higher rent. This is a scene which has been played out across the country. But locally it has had led to an unsatisfactory situation for the historic building, the community, the neighbours and the tenant.

In recent years the Chequer Inn has had a succession of tenants. Unlike the village amenities described above the pub has struggled and been in decline for a few years prior to its closure. There are several reasons for this, but there is little doubt that one of the major specific problems for a succession of tenants in the Chequer Inn and its ownership structure. As one of the major UK ‘pubcos’, Punch Taverns was born out of the deregulation legislation of the 1990s and operated basically niche property companies relying for their success on rental income and capital gains. The model worked well enough during the era of easy and cheap credit and rising property prices but that era has ended and now pressure from lenders has forced portfolios to be put up for sale, tenants to be squeezed more and the amount of tenant support to be reduced.

**It is now timely for this community asset to be managed in a way that respects the wishes of the neighbourhood and provides a convivial social environment to lessen social isolation and social cohesion in this expanding East Kent village.**

**This is a challenging project and Appendix 8 lays out the potential for its success for the village.**



## 4 The Chequer Inn

The land which is located at Chequer Lane, Canterbury, Kent CT3 2ET and has upon it a Grade II listed building known as The Chequer Inn. Although formerly used as a public house it is not in current use and uninhabited. The Inn was granted Grade II listed heritage in 1952.

### What role did it play?

As a large thriving commercial and farming community Ash had at one time 11 public houses within its parish boundaries. The Chequer Inn was the oldest public house of three original village Inns which included The Ship and The Lion. The continuation of the Chequers was probably due to its position, type of building and space.

The Chequer Inn is a standard Kentish Hall-House built in the early 16th century and its central position in the village, type of building with gardens must have contributed to its standing and value to the community from the outset. The Chequer Inn was, however only accorded Grade II listed property status in 1952.

By 1558 a hall floor or upper floor was added. At the height of the coaching era the Chequer Inn became an established post house, where mail was collected and sorted. Various alterations were undertaken between 1567 and 1603 and the property was subsequently owned by a range of merchants. In these early days Public houses were required to support a lively and large working parish with a wide range of rural and domestic industries. However, by 1848 the number of Inns in the village had already reduced to five and a beer house.

The Chequer Inn has in the past been linked to a number of East Kent breweries, first when it was bought in 1640 by Thomas Roberts, a hop grower and brewer of Canterbury. A license to sell beer and cider was granted to him later that year. In 1720 the Inn was purchased by Richard Hollingbury, a brewer of the borough of Staplegate within the walls of Canterbury and by 1875 it was under the Faversham Brewery, Rigdens. These associations further afield were despite there being a number of local breweries in Ash; the Good Intent Brewery in The Street and less than 100 metres from The Chequer Inn was known as Gillow's East Kent Brewery. Gardner's Ash Ales Brewery was situated in the Sandwich Road.

Between 1721 and the end of WW2 there were 23 landlords. One of the most recent successful tenancies could be judged to be that of Richard Munden<sup>1</sup> (2008-11), and interestingly he arrived determined to make The Chequer Inn a success by being a community hub. The Chequer Inn was most recently tied to Punch Taverns but this association has now ended.

### What sort of pub is it?

The Chequer Inn is a medium size public house, situated in a prominent position facing Chequer Lane and virtually on the corner of the main A257 road going east – west through the village. The building remains a detached traditional Kentish building having retained its front elevation and features under a Kent peg tiled roof. There are lead light windows on the first floor and sash windows on the ground floor level. The front door is accessed from Chequer Lane by 6 steps. As a traditional public house it has a long bar area, a dining room or second room to the rear of the property, toilets and a galley kitchen.

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<sup>1</sup> We are grateful to Richard for sharing his accounts with us



The grounds to the rear of the property are pleasantly appointed with a large beer garden and grassed area where the pitch has been prepared for Bat and Trap in the summer. The garden is bordered by three listed properties, Mulberry House to the north and Chequer Lodge and Cape House to the south. Along with the Chequer Inn these properties are within the village conservation area. The living quarters on the first floor comprise a bathroom and 3 rooms. This 'apartment' is accessed by stairs leading from the kitchen.

The Chequer Inn has a trade kitchen comprising of a 6 ring gas hob and oven, extraction unit and stainless steel preparation surfaces. The pub has a basement cellar with an on road delivery drop hatch and a separate secure storage area with a functioning cooling system for beer. The car park is suitable for approximately 5 cars. The free village public car park is situated with 50 yards of the front door. There is a covered area at the rear of the property which could be utilised in a variety of creative ways. The Chequer Inn is currently not trading and is in need of maintenance and some repair. It is known the roof was repaired in 2007 at a cost of £20,000.

### **Why buy it and why now?**

Pubs are great levellers; they bring people together of all ages and of all socio economic backgrounds from around the area and further afield. They encourage social cohesion and communal activity, ranging from quizzes and festive related events to fundraising and participation in sports leagues. However, in Ash there is no amenity of this type. This community has grown in the number of households and is set to grow further. It seems therefore that without adequate local facilities presents an iniquitous situation.

A survey of what villagers want from their local pub (**see Appendix 4**) revealed an overwhelming need for a village meeting place, serving food at lunchtime and in the evening, incorporating a café serving teas, coffees and light snacks. Pub evenings have been held on August 12<sup>th</sup>, November 11<sup>th</sup> 2016 and 10<sup>th</sup> March 2017 (in press) at the Village Hall to maintain commitment in the community to the progress of the Society aims. The attendance of about 150 people, at each pub evening has highlighted the lack of facilities, especially for older people to socialise within the village.

In the past the pub has been successful in attracting trade. The village is a hub of commercial and social activities and on the route of frequent cyclist and walking groups. It is a venue for tennis, rugby, cricket, football, bowls, Pilates, Zumba and yoga. There is a potential to capture these groups as clientele and to offer a 'destination café' with food and drink. In essence and offer that justifies a stop, stay and refresh within the village for individuals, groups and families as well as organisations.

In recent years the offer of food in pubs has become increasingly important to the viability as well as satisfying consumer demand. On reflection, past managers and tenants of the Pub have paid limited attention to the needs and requirements of diners. Food preparation will need to be at the forefront of the refurbishment. Our survey confirms what villagers want in terms of food provision (**Appendix 4**) while supporting the growth of local craft ales and ciders as identified at the pub evenings.

It is recognized in the past the activities in The Chequer Inn have, at times, impacted on neighboring residents. This has largely been caused by poor management of patrons and activities in the pub, for example;

- Loud music was continuing later than expected
- Broken glass was found outside the premises



- Poor adult supervision and underage drinking was leading to associated anti-social behaviour

There is no doubt these activities have in the past contributed to its decline and poor reputation, consequently contributing to its demise as a Pub.

Despite a marketing campaign by Punch Taverns in 2014, the pub was poorly advertised, with the eventual sale of the Chequer Inn prioritised to a property developer. The Society is aware of many approaches and offers made to Punch by the community which were turned down and even ignored.

**It is timely, we believe, that the community takes control of their asset.**

**The community now has the opportunity to return a much loved building to its standing in the community with a contemporary purpose.**



## 5 The Proposal

1. Our proposal is for the newly formed community benefit society, The Chequer Inn Ash Society<sup>2</sup> to purchase The Chequer Inn. Based on the Model Rules for Societies and drawn up by the Plunkett Foundation (Available at [www.savethechequerinn.co.uk](http://www.savethechequerinn.co.uk) or request a copy from the Secretary), the Society will raise funds to acquire the pub and post-acquisition will become the landlord.
2. We have commissioned and received a 'fair market' valuation of the pub and advice from Mr Howard Day of Messrs Davis Coffers and Lyons of 52 Portland Place London W1B1NH, specialists in public house valuations. This valuation estimates the pub to be **worth £242,375** but requires refurbishment costing an estimated **£90,000** before it could reopen and trade. The Society has received pledges amounting to £ 80,000 from the community.
3. We were informed by the Agent as they ceased acting for the Owners that if we were to raise our offer to around or above £300,000 we would be more successful in acquiring the Pub.

We subsequently offered in the first instance £305,000 and were informed by the Owners' Solicitor that due to an offer of £308,350 had been received but that an offer of £310,000 would be accepted from the Society and no their offers would be accepted. We were informed this is a final and non-negotiable price would be a final price irrespective of the findings of the Surveyors report.

The maximum price is now increased to £310,000 for the freehold of the building and grounds. This represents an approximate 9% reduction in the advertised asking price. No other offer has been accepted. The intention of the Society is pursue the purchase at this new price, if the funding gap can be closed within a set timeframe.

To this end the Society will need to raise £484,000 in total which includes the VAT, Land taxes and any essential work to the fabric and structure of the building.

3. The purchase price and associated expenses will be funded from several sources:
  - A community share issue for the maximum amount possible. We aim to raise £320,000 from this share offer. We have to date raised £220,000.
  - Donations and grants £10,000. We have raised about £4000 to date.
  - A combination of grants and loans from the Plunkett Foundation, other charitable trusts and other organisations (maximum available £100,000). We have achieved this grant and loan.
  - Call for loans from shareholders (16) to loan £10,000 each at 4 % interest per annum for 3 years. Repayment will be made in full after year 3 of trading.
  - This loan from Shareholders of £160,000 enables the funding gap to be bridged.

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<sup>2</sup> Community Benefit Society registered with the Financial Conduct Authority number 7604



This confers on the Society certain responsibilities, but also the scope to encourage the community to be involved and engaged with the Pub to ensure it is used and consequently successful

The following table sets out the responsibilities of each party and reflects an alteration from the original Business Plan: this alteration means the Society will no longer tie the tenant to purchasing wet goods through the Society.

<b>Chequer Inn Ash Society</b>	<b>Appointed tenant</b>
Purchase and own the building and grounds	Lease the pub from the Society on a maximum 6 year contract maximum with a rent review every 2 years
The management committee will advertise interview and appoint appropriate tenant	Will own the business operating from the Pub premises
Through the management structure as per the Model rules, to make arrangements for a neighbourhood liaison group subcommittee	To pay rent for the use of the property (pub and accommodation) to the Society as per the financial projections.  Run the pub in accordance with his/her lease with the Society
Responsible for the external décor, maintenance of intrinsic fabric of the building, grounds, toilets and central heating to ensure the building is prepared for lease.	Make suitable refurbishments to run the pub e.g to the kitchen  Ensure food and drink offer is reflects the needs of the community and lease agreement

The purchase of the Chequer Inn Pub is for the benefit of the community and the lease will require the tenant to support this objective. This is also a requirement of the Plunkett grant/loan. It is recognised by the Committee that the rent for the lease and any requirements on the tenant must be fair and reasonable for both parties and the tenant must be able to make a reasonable living.

The income of the Chequer Inn Ash Society would initially come from two main sources:

- The rent from the pub premises and the living accommodation would be paid to the as well as fundraising events which benefit the Society.

The Society's regular expenses will largely arise from:

- Interest and repayment of any loans
- Interest payable to shareholders



## 6 The Business Case

### **The business prior to closure and sale in September 2012**

The underlying pub business was not performing to its potential. In part this is due to the issues we have already highlighted regarding the management of the tenancy, the tie and other costs payable to the freeholder, Punch Taverns.

### **What will be different this time around?**

After reinvestment in the pub for improvements and repairs, repayment of the loans and development of the business and facilities any annual surplus would be used to support other community groups that may be involved in using the pub for their activities. This is line with the Model Rules.

### **The projections**

We have set out projected cash flows for the Society (see Appendix 6) The assumptions used for the projections are based on current information (e.g. rental income, barrelage), guidance from potential lenders (e.g The Plunkett Foundation.) or our best assumptions (e.g. purchase price of 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.

Income is primarily generated by rental income and from the beer tie arrangements.

In the worst case, the underlying pub business may fail and we would then have two alternatives.

1. The Society would seek a new tenant or manager, or
2. If this had already been tried and it had become clear that a pub business simply will not work, the Society would remain the owner of a valuable freehold property. In this extreme situation, the community having endeavoured and failed to ensure the continuation of a viable business. A sale of the building in this 'worst case' would realise an amount in excess of any outstanding debt, would pay out shareholders and provide a surplus above that for the benefit of the community.

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 creation 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 direct vested interest in the success of the Chequer Inn will increase their support and use of the pub
- ✓ The Society will be attentive to the need for improvements to the fabric of the building; for example, fitting out bars, dining areas and toilet facilities. These will make the pub more attractive to visit
- ✓ The tenant will be more incentivised to grow his business as he stands to benefit more from increased turnover than has been the case in the past and also as its shareholders have a real interest in its viability
- ✓ 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 village is home to plumbers, electricians, decorators, builders etc.
- ✓ The creation of a community owned pub will raise the profile of the Chequer Inn in the surrounding area.



## 7 Business operations of the Chequer Inn Society

The Model Rules for Community Ownership have been adopted by the Society. The following section shows how these will be applied to the business operations.

The business to be run by the Society is relatively straightforward and has only one customer the tenant of The Chequer Inn.

The Society is the owner of a commercial property which is let to a separate and distinct business

The Society will act as a beer wholesaler to that business under the terms of the beer tie set out in the tenancy agreement.

The Management Committee of the Society will be responsible for the overall running of The Chequer Inn Ash Society. The founding members of the current Management Committee of the Society will continue in this role until the first Annual General Meeting (AGM) of the company when they will stand down. These retiring committee members as well as shareholders will be members of the Society. Any shareholder member of the Society will be able to stand for election to the Management Committee at the AGM, in line with the Model Rules. Each member present at the AGM will be able to cast one vote, irrespective of the number of shares they own. The AGM will also decide on the appointment of officers, namely, Chairperson, Vice Chairperson and Treasurer. A Company Secretary has been appointed.

The Management Committee will consist of a maximum of 12 members, all of whom will be unpaid. It is anticipated the Management Committee will eventually appoint a self-employed administration manager who will undertake the day to day operations of the company and report to the committee, through the Chairperson.

The Management Committee will meet monthly and will operate under the Model Rules. In addition the Management Committee will have sections or sub-committees for specific purposes e.g a liaison subcommittee will meet formally with the tenant every 3 months. They will discuss with the tenant for example: the running of the business, to put forward recommendations and suggestions from the shareholders, to discuss maintenance and improvement projects and to satisfy itself that the terms and conditions of the tenancy agreement continue to be adhered to. Sub committees will report back to the main Management Committee.



## 8 Business Development

As the business of the Society will be a simple one with a single customer, there is no direct need for a detailed plan for marketing and business development at this stage. This will need to be revisited by the post-acquisition Management Committee.

However, the success of the Society will depend on the continuation of a viable and secure Chequer Inn pub and consequently, it will be important for the Management Committee to undertake activities which will assist the tenant in attracting more customers to the pub. Examples include:

- From the outset, The Society will hold all its meetings in the pub and will use the pub for refreshments after the AGM (likely to be held in the St Nicholas Church)
- The Society will also endeavour to maximise the amount of publicity for the new community owned pub. A member of the current steering group is public relations professional and their skills will be extensively used if they stand and are elected to the Management Committee post acquisition,
- Consideration will be given to producing cost-effective promotional products, such as T-shirts or keyrings for example, which could also produce a modest surplus.
- The Management Committee also envisages working very closely with the tenant as they develop their events calendar and will endeavour to assist in the promotion and execution of these. The village survey which identified what the community want from a pub will drive this communication (**Appendix 4**).

In addition to the above activities, the Management Committee will also seek to attract more investment into the company.

From a financial perspective the most attractive funding sources for The Society, in order of attractiveness, are:

- a. Grants & donations.
- b. Shareholders.
- c. Any other commercial sources.
- d. To include raising loans from shareholders on competitive terms.

There will clearly be a limit to the amount of grant funding although The Society will seek to maximise this.

Thereafter, shareholder capital is more attractive as the dividend/interest payments are likely to be about 50% lower than commercially sourced finance.

However, despite what we expect to be an attractive interest/dividend rate payable on the shares, it is possible that after the initial 'lock down' period, Year 3 onwards, the Society may receive requests from investors who wish to reclaim their investment. This could place a strain on the Society's cash flow and the Management Committee is permitted through the Model Rules to specify any limits on the withdrawal of funds. For this reason, we will continue to seek investors in order to achieve three key objectives:



- a. Minimise the overall cost of The Society's funding.
- b. Build a cash reserve to meet redemption requests and unforeseen expenses.
- c. 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. These may include, for example an extension of the dining area. We are already developing this 'waiting list' as part of our exercise seeking pledges of support. It is anticipated that when pledges are formalised there is greater uptake and completion of shareholder application.

**The Society will attract new shareholder interest via its own website and through regular publicity in the village and surrounding area.**



## 9 Potential Improvement Plans

The Society has discussed and developed a provisional list of initial improvements which it believes will be beneficial for the pub. Some are of greater priority than others and a full structural survey will need to be undertaken as part of the purchase.

### Key Structural knowledge

A full structural survey has not yet been completed due to access being denied by the vendor's solicitor and latterly the agent for the property Sidney Philips. However, the building was entered recently and inspected by a local resident accompanied by a professional builder. Accordingly the following details on the structure are known:

- The roof is sound with repairs undertaken by this builder within the last seven years
- There are no bats in residence
- The chimney stack on the south side of the building has a crack and needs urgent attention not only because it is important to this building but also because it borders the neighbouring property (Chequer Lodge)
- The accommodation upstairs requires refurbishment including a new bathroom
- The pub toilets require total refurbishment
- The kitchen requires complete updating and refurbishment within its galley space allocation- this will be the responsibility of the tenant
- There is extensive cooling equipment in the cellar which is in good condition.

### Refurbishment and Repairs

In addition to the purchase costs a sum of £90,000 has been included in the financial analysis for refurbishment and repairs to enable the pub to reopen as a business. However, with no access for our surveyor and valuer to date this is only an estimate. Apart from some essential repairs and service testing, some remodelling is required to improve the interior and grounds in order to create the right sort of ambience for both drinking and eating. A detailed plan will be drawn up by the Management Committee. This is based on a figure given by a local builder who has recently gained access to the property

Specific areas which will need consideration include:

- Disabled access
- Extensive improvements to the toilet facilities. Currently these are poorly decorated, badly designed and do not allow for wheelchair access.
- Improvements to the rear dining/ meeting room. Again this is not accessible to wheelchair users, is small and not really integrated into the main body of the building. Improvements here could be coordinated with the plans for the adjacent toilet area. It would also be an



option to extend this room and in so doing open up the extensive rear views over the garden.

The cost of these projects has not yet been finalised but the aforementioned sum has been allocated after estimation within the desk top valuation. However, we envisage a substantial amount of the required skills – design, building, plumbing, electrical work, decorating furnishing and gardening would be provided at low cost by the shareholder base and other people in the community.

We also anticipate that grant funding will be available for a part of the costs from a variety of funds e.g The Kent Community Foundation and possibly Ash Parish Council.

Our prime objectives in the short term will include the building improvement plans outlined above.

It is the firm intention of the Society to ensure any future Management Committee engages in an active dialogue with the tenant. This will include, but not be limited to, Neighbourhood Liaison meetings

It is also our intention to work with the tenant and to encourage and support their efforts over the medium term in two areas:

- 1. Improving the food offering, especially in providing meals which reflect the local region and which maximise the use of local ingredients and are reasonably priced for specific hard to reach or socially isolated groups**

We see this being achieved in various ways, including:

- **Maximising the use of local farm shops and butchers** – especially those who have supported the campaign. We will actively promote local produce. For example, farm shops locally stock meat products and eggs from local farms and has seasonal fruit from nearby growers
- **Direct use of other local suppliers for seasonal fresh fruit and vegetables.** Ash is after all located in a central position to many family owned farms producing a range of items from asparagus in late April through to apples and sweet corn in the autumn
- **Working with the horticultural society and allotment holders in the village.** To enable the pub to use 'surplus' produce. This may extend to offering allotment space in the pub garden.
- **Use of 'Fair Trade' products,** such as coffee, tea and chocolate
- **Develop the use of local organic foods,** as these become available.

- 2. Providing new products and services to address the issue of community cohesion and rural isolation.**

Ash is located some way from the larger commercial centres. As the village population's average age rises and there is an increasing reluctance to drive longer distances (for economic and environmental reasons), it becomes more important for us to be able to provide a wider range of services within the community.



We believe that the Chequer Inn can help address these issues, through additional initiatives which we would help to promote. Examples from our surveys indicate:

- **The Chequer Inn has been used by various village groups and clubs** in the past and this will need to be re- established
- **Meeting spaces** extending the offer of the Pub to meet wider social activities for example café facilities and breakfast clubs for those who visit and travel into the village for a range of undertakings associated with but not exclusive to: education, health, society, cultural, sporting and leisure activities. There is no other location for this in the parish
- **Special lunch menus** for the over 60s and those who are unable to drive – providing a very local venue
- **Internet connection** is an expectation elsewhere in similar public spaces and the pub will need to have connection available and advertised. We would like to see increased IT training and even perhaps establish an internet café

Under the previous ownership these actions were difficult to implement fully as Punch Taverns had not provided an adequate infrastructure or support for the tenant.

**We aim to work closely with the tenant to achieve these objectives and other but moreover to support the tenant to achieve the aims of the Society. We will not be able to implement them all fully in the short term and this is seen as an ongoing process.**



## 10 SWOT ANALYSES

<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>✓ Good central village location, accessible-on transport routes, parking close by.</li> <li>✓ Core existing customer base for pub business.</li> <li>✓ Underlying value of site and, in extremis, development value.</li> <li>✓ Reservoir of goodwill for pub.</li> <li>✓ Dwindling number of competing pubs in neighbouring villages.</li> <li>✓ Those that are successful supportive of sharing the market</li> <li>✓ Inherent incentive for proposed shareholder base to use pub and underpin business.</li> <li>✓ Opportunity to develop income through beer</li> <li>✓ Demographic distribution requires local facility</li> <li>✓ Opportunities for complimentary village activities in garden e.g. farmers market</li> <li>✓ Commercial activities bringing people to the village requesting refreshment</li> </ul>	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>✓ Strengthen customer base and loyalty by building on 'community' aspect of pub'- if the community have part in the ownership they are more likely to support the venture and the business</li> <li>✓ Involve customers and wider community more in pub, e.g. events, practical skills.</li> <li>✓ As a community based company, increased possibility of grant &amp; donor funding.</li> <li>✓ Work closely with tenant to enhance attractiveness of pub, through practical support and constructive feedback</li> <li>✓ Community to take 'control' through ownership to curtail problems that blighted pub in the past</li> <li>✓ A central venue for meetings and socializing</li> <li>✓ Improve rural isolation</li> </ul>
<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• Previous history of poor food offering</li> <li>• Structural/building improvements required, e.g. toilets; dining area; kitchen and living area</li> <li>• Little passing trade due to inaccurate sign at either end of the village indicating food available</li> <li>• Limited car parking on-site.</li> <li>• History of anti-social behaviour associated with Pub</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• Unforeseen costs, repairs etc.</li> <li>• High level of redemption requests from shareholders.</li> <li>• Pub business may not be successful for reasons beyond our control, e.g. economic situation, new legislation etc.</li> <li>• Not all the neighbourhood and residents are behind this project</li> <li>• The current owner and his agents have been obstructive to the Society and may not negotiate with us</li> </ul>



## **The Weaknesses and Threats can be addressed as follows:**

**Poor food offering:** We would look at the possibility of improving the kitchen facilities and help provide constructive feedback and suggestions to the tenant. The rebalancing of the underlying economics of the pub through changes to the beer tie would give the tenant more financial flexibility to look for good kitchen staff.

**Building improvements:** These could be both costly and disruptive. However, as a community based company, we would be attractive to certain donors (e.g. in respect of health & safety issues, mobility & equality, rural isolation etc.). We also benefit from a broad skill base in the village 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.

**Little passing trade:** We will hope to benefit from greater advertising through our management team services and of a village based professional who can be co-opted on to the management team.

**Limited car parking:** There is very restricted parking on the pub site. However there is parking in the village car park across The Street. The Pub is directly on the bus route and within walking distance for many residents. During busy times in the village centre (especially at the beginning and of the school day) the area can become very congested but they do not conflict with when the Pub is active.

**Unforeseen costs for maintenance:** We will endeavour to maintain a cash reserve for maintenance. The cash flow projections include an allowance for this. For the building improvements discussed above and for other projects in the garden we would expect to be able to benefit from a substantial donation 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 would be a non-productive asset (paying 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. This last tactic is one that seems to have been used effectively by the Hudswell Community Pub Ltd in Yorkshire, which raised over £200,000 from shareholders and now has a waiting list of new shareholders.

**Underlying Pub business may not be successful:** It is possible that despite the efforts undertaken and improvements made the Chequer Inn is not going to become a viable business. In that event, the community owned company will own the freehold of a very valuable site. At the worst, the site could be sold for development and the proceeds used to redeem all shares outstanding and put any surplus into parish projects, possibly as the basis of a community endowment fund.

**Economic environment is not conducive to business:** Clearly we are unable to control broader political and 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 than the large pubcos have.

**Resident apathy:** We are working to engage as many as possible and believe any shareholder involvement will encourage loyalty and ultimately benefits the business. We are committed to working across the community and engaging with immediate neighbours.

**The current owner and his agents have denied us access to the property and we are reliably informed may not wish to negotiate with the Society:** We have requested clarification from the agent about this and been informed the owner wishes to know we have the available funds before engaging with us. We endeavour to maintain good working relations.

**We have discussed a third independent party being involved in future negotiations if necessary.**



## 11 Finances

### Past Profit and loss accounts

Under the previous tenancy of Richard Munden the following table shows the impact on takings due to rent increases made by Punch Tavern. This data is shown in greater detail on the following pages with projected income based on contemporary trading indices. However, this demonstrates the impact of the landlord arrangements with Punch taverns which made trading prohibitive and which the Society is seeking to manage in a more reasonable manner. The key point is that between 2009 and 2011 there was a uneven increase in the rent and beer price demanded by Punch Taverns.

	Jan-Mar 2009	Jan-Mar 2011	Percentage change
<b>Turnover</b>	£27,816	£34,603	24% increase
<b>Cost of sales (Punch Tavern prices)</b>	£11,636	£17,234	48% increase
<b>Rent (Punch Taverns)</b>	£2,265	£6,108	169% increase
<b>Other non-payroll running expenses</b>	£8,060	£10,358	28% increase
<b>Payroll</b>	£3,817	£4,609	20% increase
<b>Profit</b>	<b>£2,038</b>	<b>£3,706</b>	

### Expenses that will be incurred in the purchase of the Chequer Inn

Cost	Amount estimated to be needed	Comments
<b>Purchase offer for the Chequer Inn</b>	£250,000	The vendor's asking price is £340,000 our valuer has estimated a net worth of £243,000
<b>VAT</b>	£50,000	The Society will be able to claim VAT back but it will need to be paid upfront
<b>Land tax &amp; Stamp duty</b>	£10,000	
<b>Business rates</b>	£10,000	Due for revision- new arrangement for Pubs in March 2017 Budget TBC
<b>Structural survey</b>	£5,000	
<b>Solicitor and other legal activities for the tenancy agreement</b>	£5,000	
<b>Refurbishment</b>	£90,000	Includes most urgent work to external chimney breast
<b>Incidentals</b>	£10,000	e.g. interim expenses
<b>Total = £430,000</b>		



## Initial capital income and expenses

The following table lays out the initial income and outgoings in the first 5 years of trading and the service of loans and repayments. Full projections for future years are in **Appendix 3**.

Source of funding	Amount	Outgoings/ Expenses					
		Interest	Year 1	Year 2	Year 3	Year 4	Year 5
Share issue by The Chequer Inn Ash Society	£320,000					3%	3%
Plunkett Foundation Loan to The Chequer Inn Ash Society	£50,000	To be repaid over 10 years @ 8%	7,022.00	7,022.00	7,022.00	7,022.00	7,022.00
Plunkett foundation grant	£50,000						
Gifts and grants	£10,000						
Investors return						£9,600	£9,300
Share Withdrawal						£10,000	£10,000
<b>Total</b>	<b>£430,000</b>		7,022.00	7,022.00	7,022.00	<b>£26,622</b>	<b>£26,322</b>

## Projected income

The following table derived from our valuation identifies the financial requirements for the tenancy model with the Beer tie income which will be a main source of the Society's income. Our valuer has forecasted that £18,000 year could be achieved through the leasing (tenant) model and can be found in **Appendix 2**. This excludes VAT at 20%.

Model 1 Income makeup projected in year 1		Model 2 Income makeup projected in year 1	
No. Barrels per annum	400	No. Barrels pa	500
No. Barrels per week	7	No. Barrels week	10
400 barrels @ £25/ barrel – income to the Society	£10,000	500 barrels @ £25/ barrel – income to the Society	£12,500



## **Cash Flow projections**

These have been professionally prepared and can be located in **Appendix 3**. These projections have been estimated for the following 12 years and demonstrate the income and eventual profit for the Society.

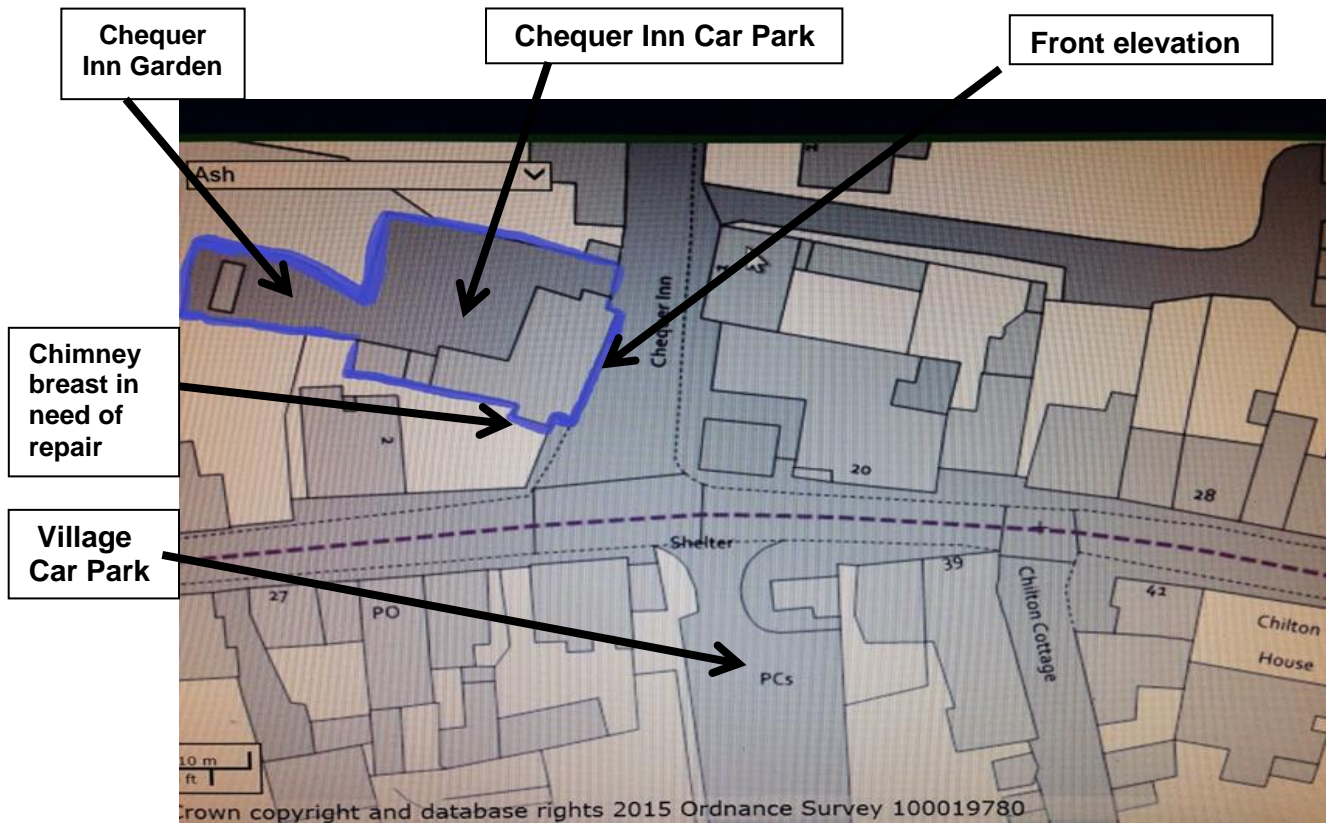
## **Grants**

The More Than a Pub programme offers up to £50,000 in grants as well as £50,000 in loans. We have contacted several organisations which invite applications for community projects such as SITA (a major recycling organisation); The Kent Coalfields Trust regarding disabled access and the Kent Community Foundation for funding application in regard to their project **Campaign to End Loneliness**.

**Revised tenant and Society financial projections updated January 2018 and circulated separately.**



## Appendix 1 Location and aerial view of the Chequer Inn

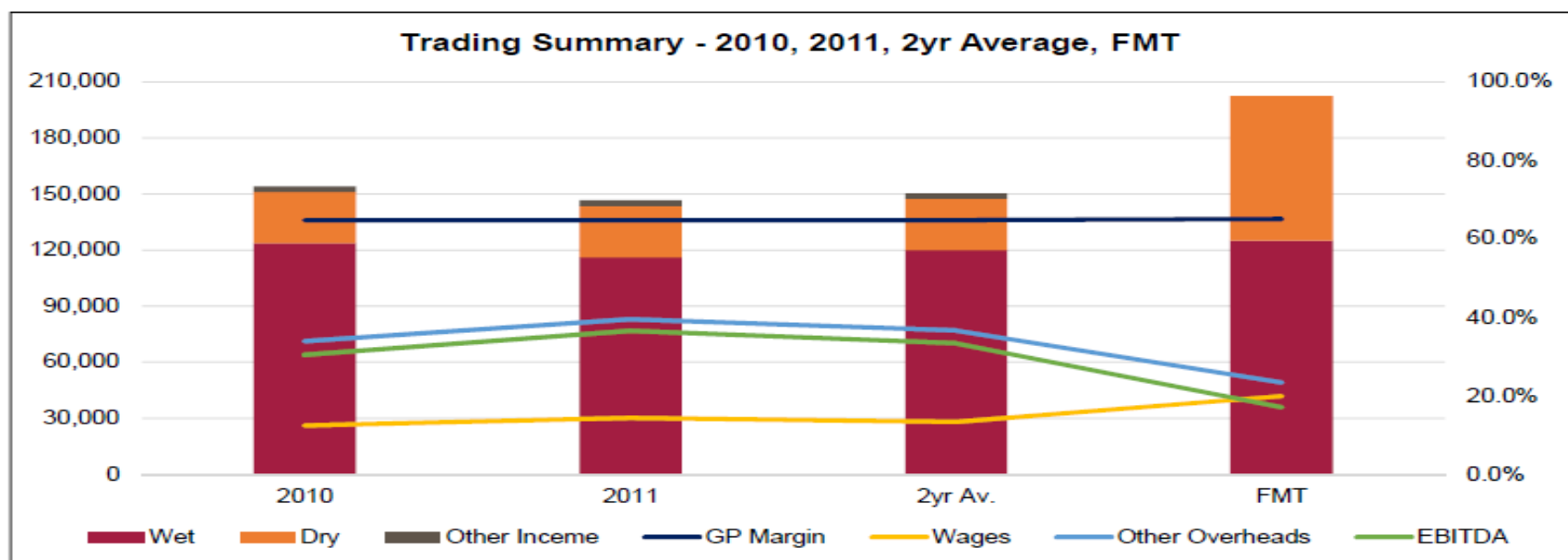




## Appendix 2 A Fair Maintainable Turnover projection

Graph A Fair Maintainable Turnover projection based on historical trading information. It would be dependent on increased community support for the Chequer Inn which would be providing more food options. Estimated by Mr Howard Day. (EBITDA =Earnings before Interest, Taxes, Depreciation and Amortization)]

	2010	2011	2yr Av.	FMT
Wet	123,807	116,400	120,104	125,000
Dry	27,364	27,364	27,364	77,500
Other Inceme	2,945	2,945	2,945	0
GP Margin	64.7%	64.7%	64.7%	65.0%
Wages	12.4%	14.4%	13.4%	20.0%
Other Overheads	33.9%	39.5%	36.6%	23.5%
EBITDA	30.4%	36.6%	33.4%	17.1%



## Appendix 3 Cash Flow projections

<b>£430,000 with Plunkett £50,000 loan @8% ; £50,000 Grant and £320,000 raised from share holders, with interest payable @ 3%, but not before the 4th year of trading as profits allow</b>															
		Yr 1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10	Yr11	Yr12	Total Trading P&L	
	F/Cast	F/Cast	F/Cast	F/Cast	F/Cast	F/Cast	F/Cast	F/Cast	F/Cast	F/Cast	F/Cast	F/Cast	F/Cast		
<b>Capital</b>															
Plunkett Loan	50,000.00	-	-	-	-	-	-	-	-	-	-	-	-		
Plunkett Grant	50,000.00	-	-	-	-	-	-	-	-	-	-	-	-		
Donations	10,000.00	-	-	-	-	-	-	-	-	-	-	-	-		
S/H Capital	320,000.00	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>430,000.00</b>														
<b>Income</b>															
Income: Beer Tie		10,000.00	10,500.00	12,500.00	13,125.00	13,781.25	14,470.31	15,193.83	15,953.52	16,751.20	17,588.76	18,468.19	19,391.60	177,723.66	5% increase PA
Rental income		18,000.00	18,000.00	18,540.00	18,540.00	19,096.20	19,096.20	19,669.09	19,669.09	20,259.16	20,259.16	20,866.93	20,866.93	232,862.76	3% increase every 2 years
<b>Gross Income</b>		<b>28,000.00</b>	<b>28,500.00</b>	<b>31,040.00</b>	<b>31,665.00</b>	<b>32,877.45</b>	<b>33,566.51</b>	<b>34,862.91</b>	<b>35,622.61</b>	<b>37,010.35</b>	<b>37,847.91</b>	<b>39,335.13</b>	<b>40,258.54</b>	<b>410,586.41</b>	
<b>Expenses</b>															
Insurance & Professional fees		833.00	849.66	866.65	883.99	901.67	919.70	938.09	956.86	975.99	995.51	1,015.42	1,035.73	11,172.27	2% increase PA
Administration		2,083.00	2,124.66	2,167.15	2,210.50	2,254.71	2,299.80	2,345.80	2,392.71	2,440.57	2,489.38	2,539.17	2,589.95	27,937.38	2% increase PA
Legal fees		2,083.00	-	-	-	-	2,249.64	-	-	-	-	-	2,429.61	6,762.25	8% increase PA
Fire & Safety		833.00	849.66	866.65	883.99	901.67	919.70	938.09	956.86	975.99	995.51	1,015.42	1,035.73	11,172.27	2% increase PA
Boiler & Maintenance		2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99	2,486.75	26,824.18	2% increase PA
Plunkett Foundation loan		7,022.00	7,022.00	7,022.00	7,022.00	7,022.00	7,022.00	7,022.00	7,022.00	7,022.00	7,022.00	-	-	70,220.00	at 8% apr
Share Interest payable		-	-	-	9,600.00	9,300.00	9,000.00	8,700.00	8,400.00	8,100.00	7,800.00	7,500.00	7,200.00	75,600.00	3% interest
<b>Total Expenses</b>		<b>14,854.00</b>	<b>12,885.98</b>	<b>13,003.26</b>	<b>22,722.88</b>	<b>22,544.90</b>	<b>24,619.00</b>	<b>22,196.31</b>	<b>22,025.79</b>	<b>21,857.87</b>	<b>21,692.59</b>	<b>14,508.00</b>	<b>16,777.77</b>	<b>229,688.36</b>	
<b>Trading Profit/(loss)</b>		<b>13,146.00</b>	<b>15,614.02</b>	<b>18,036.74</b>	<b>8,942.12</b>	<b>10,332.55</b>	<b>8,947.51</b>	<b>12,666.61</b>	<b>13,596.81</b>	<b>15,152.48</b>	<b>16,155.33</b>	<b>24,827.13</b>	<b>23,480.77</b>	<b>180,898.06</b>	
<b>Cumulative P&amp;L</b>		13,146.00	28,760.02	46,796.76	55,738.88	56,071.42	55,018.94	57,685.54	61,282.35	66,434.84	72,590.16	87,417.29	100,898.06		
<b>Share withdrawal</b>		-	-	-	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	90,000.00	
<b>Final Balance</b>		13,146.00	28,760.02	46,796.76	45,738.88	46,071.42	45,018.94	47,685.54	51,282.35	56,434.84	62,590.16	77,417.29	90,898.06	<b>90,898.06</b>	

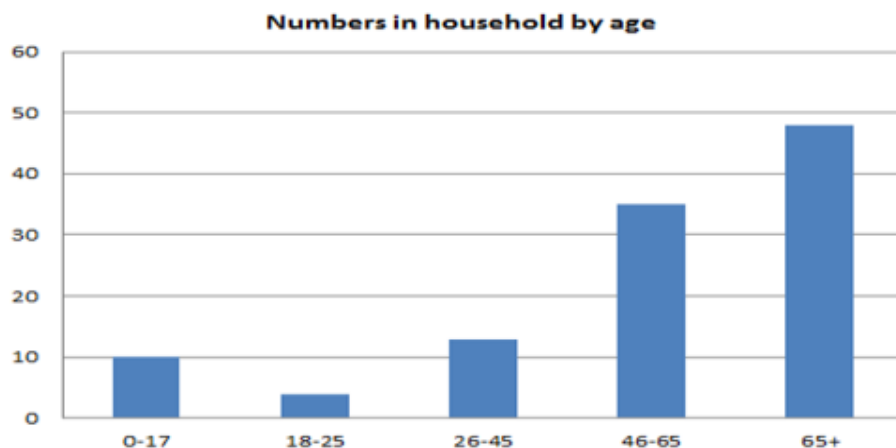
Note: Share interest payable is calculated at 3%, taking into consideration the possible withdrawal of £10,000's of shares each year.



## Appendix 4 Market Survey Summary

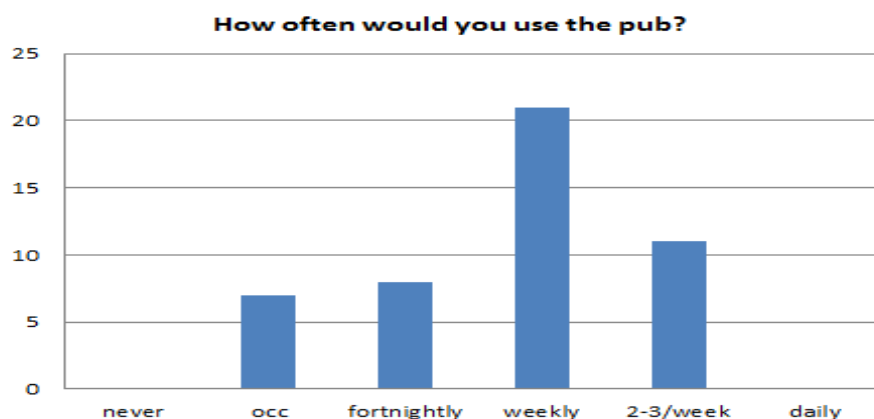
On two occasions during events in the village a questionnaire was completed by attendees who were either living in the village, connected to the village through relatives living in Ash or from a neighbouring village. There were over 100 respondents and the distribution of ages of the respondents is shown in the following graph.

**Graph 1**



The respondents indicated they would use the pub at least weekly and occasionally more frequently.

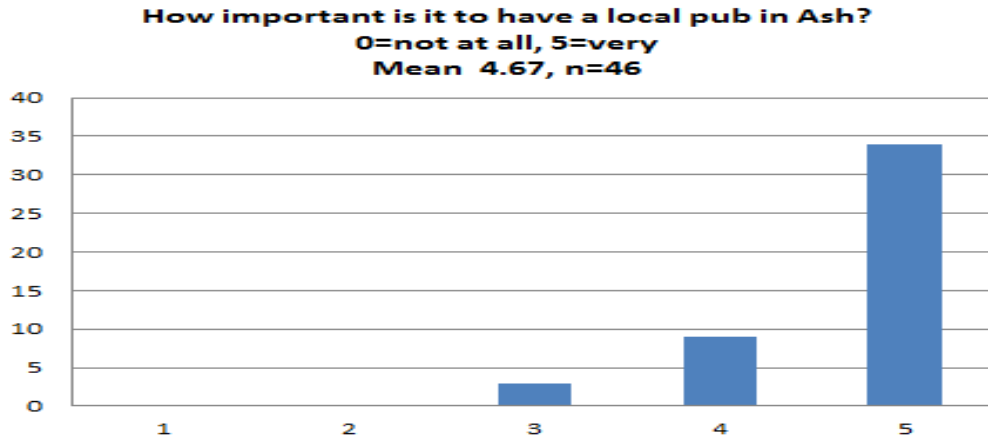
**Graph 2**



The survey first sought to identify the amount of interest in the community for the re-establishment of a centrally located pub. Many people were familiar in the past with The Chequer Inn venue at the height of its popularity. The Chequer Inn's fortunes clearly declined following the departure of the landlord Richard Munden in 2011. Near neighbours of the pub testify to an array of anti-social behaviours which blighted the area during the tenure of subsequent landlords prior to the pub's closure. Many regulars were alienated when the ambience in The Chequer Inn deteriorated. The following graph shows that respondents feel a local pub is now necessary.

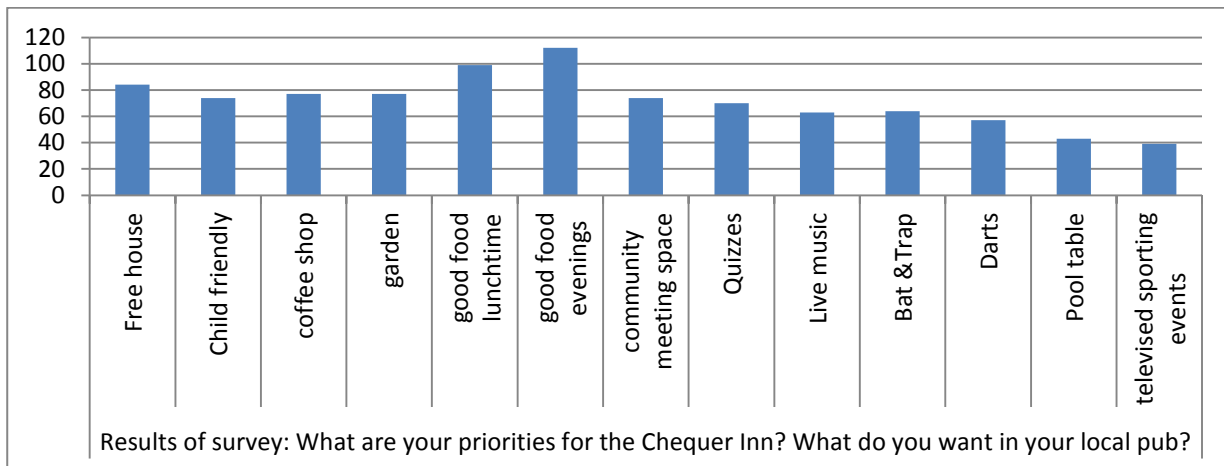


## Graph 4



It was important to ascertain if there is a real desire to have this facility open again or whether the interest is no more than a nostalgic desire to return to the good old days. From the survey we carried out in April 2016, the responses indicated there would be strong demand for the Chequer Inn to open as a pub again with an emphasis on the associated café facilities. Villagers were keen to have the Pub restored to a Free House with food available both at lunch time and in the evenings as well as café type facilities tea, coffee and breakfast options. Respondents were keen to have access to the garden and an atmosphere which welcomes families with children. All of which resounds with the characteristics of a reasonably priced, accessible and desirable asset for our village. Graph 5 shows the results of the original survey (May 2016) the respondents' requirements.

## Graph 5

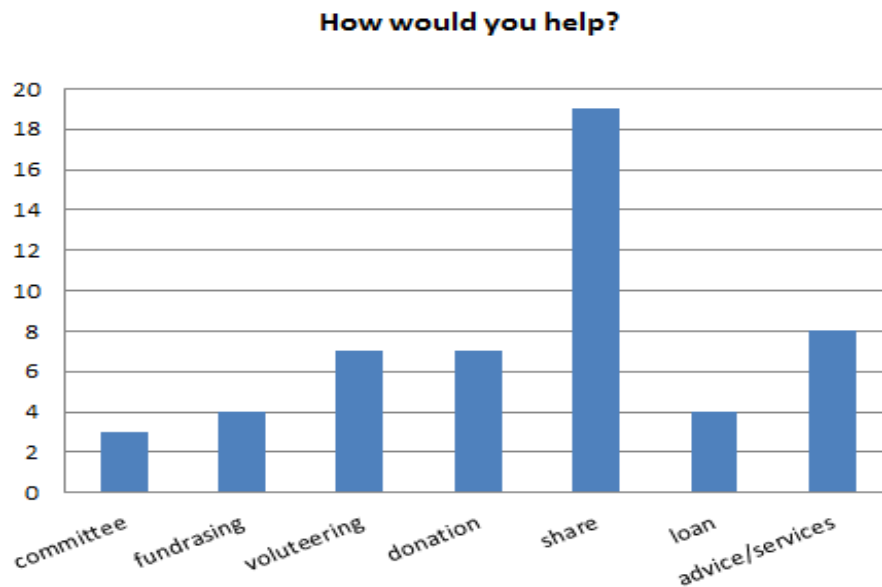


The respondents were clear that the pub should be a community space with a restriction on noisy events with loud music or televised sports. Activities such as Bat and Trap and quizzes should be part of the general offering. Some people wished to restrict activities such as pool tables, darts and televised events due to lack of space.

The matter of music in the pub has been a concern for the immediate neighbours and many respondents suggested music should only be considered for special events, in moderation and within reasonable hours.

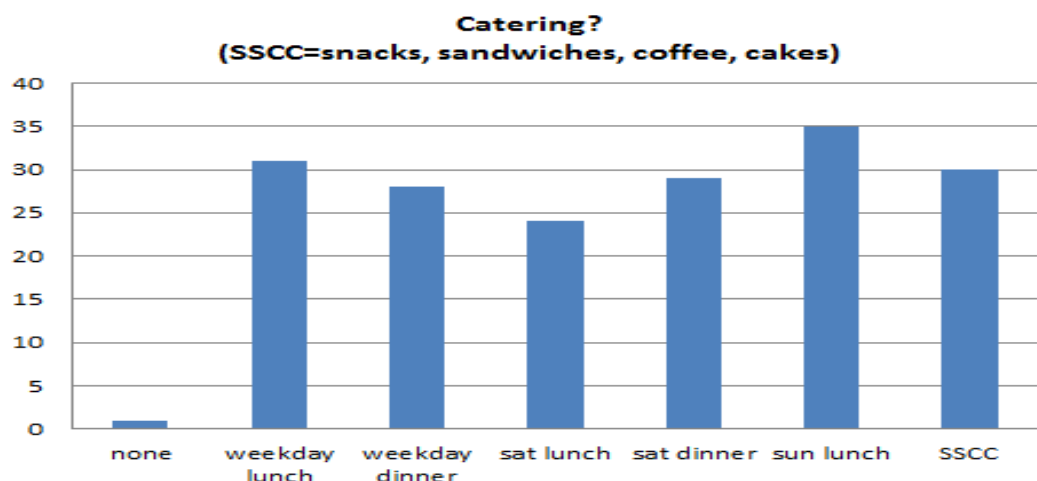
Respondents were keen on the idea of a Community pub as an asset to the village and also something in which they wanted to be personally involved and invest in through a share offer

**Graph 6**



The Frog and Orange is the nearest family public house serving food, being approximately 1.5 miles from the centre of the Village. This pub is situated on a busy main road with limited pavement lighting. It is outside a reasonable walking distance for the majority of Ash residents, particularly at night. This analysis is similar to the Black Pig at Barnsole, Staple where the recent regeneration has attracted clientele from Ash. There are several pubs in the towns of Sandwich and Deal (3 and 8 miles distant from Ash) both of which have a thriving pub culture. However, residents of Ash would need to travel there by car or bus indicating the need for an accessible and suitable pub in the village.

The survey has clearly identified the need for catering as shown in **Graph 7**. Responders were asked which sessions might they be most likely to use the pub for food.



## Appendix 5 Signatures of Members



### 12 SIGNATURES OF MEMBERS

Signatures of Members	Full Names	Date
<i>Helen D Ellis</i>	Helen Doherty ELLIS	22/8/16
<i>David W Moulden</i>	DAVID WOX MOULDEN	25/8/16
<i>David Greaves</i>	DAVID GREAVES	23/8/16
Signature of Secretary		
<i>Jane Greaves</i>	JANE GREAVES	23/8/16



## Appendix 6 The Chequer Inn Ash Society – Current Management Committee

**Nigel Beevor:** MA, FCA is a retired Chartered Accountant and Banker. He has lived in Ash since 2015 and has been closely connected with East Kent since the 1950's.

He was an accountant with Cooper Brothers and worked in Corporate Finance in the City and abroad with Schrodgers and Barclays( volunteered for the committee Summer 2017).

**Helen Ellis:** Helen moved to Ash in May 2015. She has twenty years of experience in the delivery of estates and facilities management and currently holds the post of Deputy Director of Estates (Campus Services) at the University of Kent. Prior to joining Kent she held several senior Estates posts in the University sector including Associate Director of Corporate Services (Head of Facilities) at the University of East London. Helen has also worked for a commercial company who designed and developed high quality, affordable student accommodation for the higher education sector and provided operational Estates and FM support services to universities across the UK. She has an MSc in Facilities Management, is a Certified Member of the British Institute of Facilities Management and a Chartered Member of the Institute of Personnel and Development

**David Greaves:** David has lived in Ash for 31 years. He was a GP in Sandwich and Eastry for over 30 years and in that time contributed to a variety of local causes in particular contributing to the Sandwich Age Concern and also as Vice Chairperson of the Sandwich Society. David is a member of the Ash Village Hall management Committee and a committee member of Deal Bridge Club. He has played Bat and Trap for The Chequer for as long as he can remember!

**Jane Greaves:** Jane has lived in Ash for 31 years. Jane worked in Public health and subsequently in higher and further education in Kent. She recently retired from a senior academic position at Canterbury Christ Church University. Jane is experienced in working with marginalised and socially excluded communities especially with families and children in isolated areas. She has experience of project management and applying for research and development grants.

**Sallie Greenhalgh:** Sallie has lived in the village for over 30 years. She previously ran a pub in Stourmouth with her husband for several years. Sallie now runs an accounts and bookkeeping business

**Colin Guest:** Colin moved to Ash in 2014. He has worked in senior roles in the Home Office and has experience in project managing partnerships between voluntary, private and statutory organisations e.g. in crime reduction and job creation. From 2010 to 2015 he coordinated a multi-agency research project involving Kent Police, charities and local authorities and is currently working as a consultant to several police forces.

**Jim Howlett:** Has lived in the village of Ash for 5 years and until recently operated a taxi company in Ash. At present he is self-employed as a forestry contractor. He has experience in the Pub industry from previous employment as a barman/chef. He had business and commercial retail management experience in importing furniture, and as a general manager for a marine engineering and dry dock company. He has been an active member of the St John ambulance service.

**Hazel Howard:** Hazel has lived in Ash for 14 years. In the past she has worked in administrative posts in Insurance and as a legal secretary in the Court Services and Solicitors, she is a qualified Legal Executive. More recently she has worked in Relocation services extolling virtues of living in East Kent! She has contributed to the community locally as Adult Girl Guiding leader for over 20 years and as Treasurer of the Ash Rainbow unit for 10+ years. Hazel is Vice Chairperson & Trustee of Ash Village Hall Management Committee and is Treasurer of the Friends of St Nicholas Church which is a registered charity.



**Rev David Moulden:** Dave needs no introduction being the Vicar of St Nicholas Church, Ash

**Jon Scatchard:** Honours Degree in Pharmacology, Accredited Clinical Coder. Worked for Pfizer at Sandwich for 25 years as a safety pharmacologist, latterly Senior Study Director. More recently, as Data Validation Manager in the Clinical Coding Department at East Kent Hospitals University Foundation Trust. Moved to Kent in 1988, to the parish of Ash in 1994. He is the Chairpersonman of the 9th Deal (1st Ash) Scouts executive committee and a past member of the Westmarsh Village Hall management committee

**Sandra Scatchard:** Honours Degree in Geology, Post Graduate Teaching Certificate. Teaching since 1989 (Further and Higher Education (Associate Lecturer CCCU) Currently Senior Science Lecturer and Apprenticeship Lead at East Kent College as well as Teaching and Learning Mentor. Moved to Kent in 1988 and to Ash in 1994. Previous member of the Management Committee of Ash Mother and Toddler group for 9 years, then a member of Parent Council at Cartwright and Kelsey School.

**Russ Timpson** CEng BEng(hons) FIFireE AMBCI has lived in Ash for over 30 years and is The CEO of Horizonscan. His experience includes International Fire Strategy for BAA, Head of Safety for Virgin Atlantic and the development of business continuity plans for several Multi-National companies. Russ is the secretary of the Tall Buildings Fire Safety Network and his specialisation is the facilitation of crisis simulation exercises. He was pivotal in establishing Ash Rugby Club and proposed a "Vision for the Future" for the development of sports groups in Ash based on a central hub. Improvements to the Sports pavilion on the recreation ground resulted.

**Matt Titterton:** Matt was been the founder member and linchpin of the Save the Chequer campaign. He graduated from Ravensbourne's School of Broadcasting in 1999. He first worked as studio director and editor for ITV at The Carlton Studios in Nottingham and at Ealing Film Studios. He has also held staff positions as a News ENG Camera Operator, Post Production Manager and Multi Camera Studio Director before starting Advision TV with his business partner in Canterbury.



## Appendix 7 Work completed to date by the Society

- **February 2016:** Plans to turn the 15th century pub into a house were refused by the planning committee of Dover District Council
- ✓ The Dover District Council committee unanimously voted against the Planning Officer's advice and saved the pub from change of use recognising the large support it had from our community
- ✓ A small group of volunteers came together and have met on a regular basis to form a steering group known as Chequermates building on the successful campaign led by Matt Titterton
- **March:** The Chequer Inn status as an Asset of Community value was confirmed and DDC received notice from the owners of their intention to sell the property

The steering group met and developed their vision with three specific aims:

- To develop an appropriate and sound business plan and strategy calendar
- To raise the necessary funds to purchase the Inn
- Ultimately to restore the Inn to its original function and standing in the community
- **April:** the Chequermates steering group applied to Companies House and became become a Community Interest Company
  - ✓ Survey undertaken at the Village Neighbourhood planning
  - ✓ BBC Radio Kent interview recorded with Matt Titterton and Jane Greaves at The Chequer Inn Ash
- **May:** Detailed survey of villagers as to what they wanted from a village pub was completed. The opinions collected from the survey have influenced our strategy and this business plan
- ✓ Steering group Chair elect contacted the owner in writing (6<sup>th</sup> May) via his solicitor to request a meeting to open dialogue on future plans of the steering group
- ✓ Reply 31<sup>st</sup> May refusing access to the property for survey and valuation pending evidence of cleared funds available to purchase the pub for £340000.
- ✓ Attendance at the BBC's "One Show"
- **June:** public meeting (100 attendance) to discuss the plans to date and ask for villagers to share their time and talents for this project. Villagers were asked to nominate amounts they would be willing to make financial donations and pledges
  - ✓ Meeting identified a range of talents within the village, for example, web developer, estates management, bookkeeping and treasurer, business management, web design, IT support, legal support, soft furnishings, gardening, building skills as well as from several people with experience in the pub trade
  - ✓ The Reverend Dave Moulden accepts role as Chairman of the group



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- **July** : application accepted onto the Plunkett Foundation's More than a Pub programme and received free support from a business advisor, Community advisor and mentorship from the Green Man at Toppesfield, Essex
  - ✓ 12<sup>th</sup> Contacted solicitor to request access (1) to view the Inn for survey and valuation
  - ✓ 26<sup>th</sup> Follow up letter to Solicitor to request access (2)
- **August**: we held our first fundraising event. Over 150 attended a Pub night held in the Village Hall and raised nearly £800. This raised our profile and funds and attracted rolling pledges amounting to £65,000
  - ✓ Launch of the Save the Chequer Inn website <http://savethechequerinn.co.uk/>
  - ✓ Set up Bank account with the Cooperative Bank
- **September**: Incorporated as a Community Benefit Society (CBS), The Chequer Inn Ash Society registered with the FCA which enabled us to undertake the following:
  - to raise finance via community shares
  - To make a formal written pledge offer
  - Be granted a bursary and specialist support with prospective loan/grant finance of up to £150k available
  - ✓ We commissioned a chartered surveyor with a special interest in in licensed premises to undertake a valuation of the property.
  - ✓ The Chequer Inn displays the "For Sale" sign of agents Sidney Phillips. Enquiries to their office confirm that access to view the property is denied to The Society pending proof of cleared funds available to purchase.
  - ✓ Letter of offer of £250,000 sent to Sidney Phillips from the Society based on projected funds available from pledges, loans and grants
- **October**: A 'desk top' valuation of the property was undertaken by Mr Howard Day of Davis Coffey and Lyons. He gave advice for its potential acquisition and valuation, despite being denied access to view the property internally by the vendor's agent Mr Robert Cockayne. Mr Day's report is available on request.
  - ✓ Received written confirmation of a realistic valuation based on fair maintainable turnover (Graph 1)
- **November**: Field visit to the Toppesfield Community Pub (TCP) in Essex by 4 committee members. Together with pivotal founder members of the TCP they explored various business options: the tenancy model, refurbishment, community involvement, socially inclusive activities and development, grants application and although outside our remit currently, Brewery.

The activities of the steering group have been captured on our website and covered in the local press, BBC1 TV (The One Show). We have been interviewed by BBC Radio Kent. We have consulted widely with businessmen and women, accountants and lawyers and those working in the pub trade to formulate this business plan.



## Appendix 8 Reasons to be Cheerful

**There are a number of reasons why the Chequer Inn has the potential to succeed under the proposed arrangements and despite the decline of the pub in the period prior to closure.**

- The pub has an imposing presence and has been an Inn at the heart of the village since the 16<sup>th</sup> Century
- The Chequer Inn has been well supported in the distant past
- It had a reputation as a friendly village pub with a range of facilities on offer
- It has the potential to develop further and improve these facilities for contemporary activities which appeal to a wider market due to increased population, commercial and leisure activities in the village
- It could develop local employment and training opportunities for young people
- Café culture comes to Ash which could:
  - attract passing or visiting trade linked to other economic, social and personal activities in the village
  - attract cyclists and walkers with and without dogs, and horse riders
- It would provide access to a regular open meeting place which has the power to reduce social isolation: *Campaign to end loneliness* is a key campaign in Kent and the Society has commenced the application process
- Having a community pub will create a local atmosphere as well as creating the loyalty factor from community shareholders
- We hope to hold regular social events
- We would have regard for the impact of anti-social behaviour which in the past drove patrons away, deterred families and alienated the neighbours

**Taking these factors into account and with steady development, there is a great opportunity to grow the turnover, to make the pub secure and ensure the community has a voice in the running of this establishment for the benefit of the community.**



## 6 Background to amendment

Following correspondence with the current owner's solicitor, an increased offer of £310,000 was submitted in December 2017 by the Committee for the purchase of the Chequer Inn Pub, subject to survey and approval by the shareholders. The vendor has however made it clear that this purchase price is non-negotiable – i.e. take it or leave it, regardless of condition. This price represents a reduction of nearly 9% on the asking price.

Based on this offer access was given by the owner to the Society to undertake a building condition survey of the Pub. A Chartered Surveyor completed the survey on 3 January 2018 and submitted their report to the Committee during the week of 8 January 2018. The highlights of the survey were reported at the Shareholders meeting on 22nd January 2018, and included: work to the main roof and roof timbers; work to the flat roof of the Victorian extension; refurbishment of windows, rainwater goods, external doors and internal timber; treatment of damp and wood boring beetles, internal and external decoration; structural investigation of the front elevation and one chimney; testing of electrical and gas services; replacement of bathroom on first floor and recommendation to install a residential kitchen on the first floor. The Society is grateful to the Jack Foat Trust for their grant to pay for the Building Survey of the pub.

Although access to the property and completing the Survey was the breakthrough we had been waiting for, the price is higher than hoped and the timing has left us with a lot to do in a short space of time if we are to complete the purchase as planned. The following timeline/ table represents the timescale that underpins this document.

<b>Offer increased and accepted</b>	<b>December 2017</b>
<b>Access to property for Survey</b>	<b>3rd January 2018</b>
<b>Local charity agreed to pay for survey</b>	<b>Received 4<sup>th</sup> January 2018</b>
<b>Revision of financial plan</b>	<b>January 2018</b>
<b>Shareholders meeting with new information and call for increased 16 shareholders to loan £10,000 for 3 years at 4% interest.</b>	<b>January 22<sup>nd</sup> 2018</b>
<b>Final date for shareholders to loan the Society £10,000</b>	<b>Friday 2<sup>nd</sup> February 2018</b>
<b>Building and Structural engineer</b>	<b>W/c 5<sup>th</sup> February 2018</b>
<b>Meeting with Community and Cooperative Finance re Plunkett loan and grant.</b>	<b>w/c 12<sup>th</sup> February</b>
<b>Proposed further meeting with Shareholders to update on progress.</b>	<b>w/c 12th February</b>
<b>Appoint Solicitor for conveyancing</b>	<b>w/c 12<sup>th</sup> February</b>
<b>Contracts signed with owners</b>	<b>On or before 14<sup>th</sup> March 2018</b>

The Committee has been supported and mentored in this final process by Chris Porter Chairman of The Harrow pub at Stockbury, near Sittingbourne. This pub was bought from Shepherd Neame in May 2017 and opened in August 2017. The financial model proposed within the document to bridge the funding gap is based on the successful model used by The Harrow team. Although there are a number of similarities between our organisations and both are supported by the Plunkett Foundation 'More than a Pub' Programme, the Harrow team were able to complete their purchase quickly. This is in part due the support given by the previous owners of The Harrow, Shepherd Neame.



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