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The White Hart Inn Community Benefit Society Limited

A Community Benefit Society
Registered with the Financial Conduct
Authority No 8442

Business & Benefit Plan White Hart Inn, Foulton, Norfolk



Community Enterprise in the Breckland village of Foulton.

www.FoultonWhiteHart.com

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Executive Summary

This business plan represents a proposal for the operation of the White Hart Inn, Foulde n, as a community-owned pub. The existing pub will be re-opened, and its activities will be diversified to create a mixed-use facility for the Village and its immediate surrounding areas.

Our vision is: -

- Create a central focal point for village life
- To be a catalyst to re-invigorate the sense of community and support local businesses
- To recreate a traditional pub supplying wholesome affordable food and popular real ales
- To refurbish the building, making it accessible to all, including the less mobile.
- To restore lost amenities such as the village shop
- To restore the hub of the village with a pub & café that supports the local economy, enhances village life, helps alleviate loneliness and reduces rural isolation.

The White Hart Inn has been a thriving and popular pub in the recent past, but over the last 10 years it has steady declined whilst under a microbrewery business's leasehold & management, resulting in poor property management, no progressive marketing, or business development to reverse the trend.

Bringing the White Hart Inn into community management will ensure its success, its continuity and its sustainability, by basing it on a business model designed to service its community's various needs rather serving the financial demands of a remote and disinterested freeholder owner and their lessees.

Community ownership will also ensure that it works together with all elements of the Village and not in competition with for instance the Village Hall and faith group activities.

To enable the purchase and to operate the pub a community benefit society has been formed, The White Hart Inn Community Benefit Society Ltd (FCA No. 8442)

The capital to purchase the freehold, refurbish the premises and restock & re-equip will be raised through loans, grants and a community share scheme. The shares will be £1 each, with a minimum of a £100 share holding, up to a maximum of £25 000.

Purchase of a share holding will confirm membership of the Society, giving the members control over the business through means of electing board members and voting rights on significant issues at regular meetings. Each member will have a single vote, irrespective of their shareholding.

The aim is to purchase the White Hart as soon as possible so that work can commence on restoring its facilities (bar, accommodation, and kitchen & food preparation areas), so that it can be operational in 2021 once Covid restrictions are lifted.

Once operational, and in future years, the intention is that any surplus is reinvested in the community facilities, either within the White Hart Inn or within other Village facilities.

A marketing strategy has been developed to maximise village inclusivity as well as broadening its appeal to other visitors, tourists and activity groups.

A Risk Analysis has been completed, evaluating factors such as the capital purchase, operational failures & successes, management and cost inflation.

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Introduction

This business plan has been developed to support the development of a community pub for Foulde n Village and its surrounding area in West Norfolk. The community pub, besides being a public house with B&B accommodation, is intended to house currently missing local facilities such as

- an “essentials counter” selling basic foodstuffs, stamps, confectionery & newspapers
- a drop in café providing meeting point and support for young families and the elderly
- book lending or library facilities
- post office and parcel facilities supporting local businesses and delivery operators

Above all, the community pub is intended to safeguard and extend these facilities and create a vibrant social & economic hub for the village of Foulde n.

The Background

The White Hart Inn

For as long as anyone can remember there has always been the White Hart Inn.

The property, dating from before 1836, was eventually purchased from Greene King in the latter part of the 20th century, becoming a very successful operation, run by local two families. It was sold in 2007 and continued until the new owner, through ill-health, leased the pub to a local microbrewery. Unexperienced in managing & recruiting people to run a successful pub, the operation deteriorated with an ever-increasing turnover of tenants. Ultimately, the microbrewery itself was unsuccessful and sustained several years of increasing losses so that it was unable to manage the White Hart Inn adequately, failing to invest in the fabric, promotion & marketing or in management support of the tenants. The freeholder of the property was content to receive her contracted rent, paying little heed to the slow deterioration in the business she had purchased.

The White Hart Inn was once a thriving local pub with a very popular food menu attracting visitors from Thetford, Swaffham, Downham Market, well beyond its natural catchment area. Due to the long steady period punctuated with a lack of investment and disinterest by the lessee, the pub slowly declined, becoming less and less attractive as a venue for the village and visitors, only sustained by the revenue from the B&B operation and latterly the enthusiasm of the last tenants. Once the lessee was incapable of maintaining their contractual payments to the owner, the owner shut down the pub.

Following the closure of the pub in 2019 when the Brewery finally withdrew due to their own financial failure, the pub remained empty with the Village expecting the pub to open up under a new management arrangement.

Once it became obvious that the Freeholder had no intention to reopen the pub in June 2020, a small number of concerned villagers formed a group to test whether the village wished to retain the pub. Unable to meet everyone en masse due to the current Covid rules, the group used local press and social media to gauge support. Immediately over 30 households out of the 176 expressed membership interest and similarly a further additional 92 members via Facebook.

In July 2020, the owner of the property, during the Covid-19 lockdown submitted two change of use applications to convert the building into a residential dwelling(s), stating that the White Hart Inn is economically unviable as a business. These planning applications have been vigorously challenged, and on both occasions the Breckland District Council planning authorities have rejected the submissions. During this planning activity the Society has successfully submitted an Asset of Community Value (ACV) application. The freeholder and her potential developer have

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also been unsuccessful in their attempt to reverse this listing.

There is no demand for additional housing in the village, as there is already a 21-housing project underway. That development reflects the full extent of any allowed future development in the village for the next 10 years as agreed within Breckland District Council's Local Plan.

Whilst the owner has valued the pub as a residential property, it remains essentially a public house, and the last one in the village. After engaging a qualified quantity surveyor, experienced in this type of property, the Society has been advised of the value it should consider as part of its offer. At present, the negotiations are taking place through the property's agent whilst the planning challenges continue.

It is the Society's intention to ultimately purchase the pub at an agreed price with the owner.

Other than the village hall there are no meeting places nor are there any shops within the village. Therefore, the pub has always been at the hub of Foulde, and its demise has been a significant loss to the social fabric & well-being of this rural community.

Consultation

Due to Covid restrictions, and the unavailability of any suitable venue, much of the consultation has been by Zoom with councillors and other authorities, Facebook and other social media with the villagers and supporters and ultimately, persuading the local postman and making use of existing volunteer distribution operations to distribute questionnaires to all the houses to get as much feedback on a variety of questions seeking out what type of pub everyone would like to have in the village. The questions asked a range of questions from frequency of use, meal offering, other activities (live music etc), other services such as library, café, postal services, social clubs (schools, cycling etc), drop in centre for single mums and toddler groups as well as sounding out investors, volunteers and support. There is a strong support for a local shop and café which are now part of the Society's plans.

The full results are in appendix 1.

The main outputs are:

- a greater willingness (almost double) to use the pub more regularly under community ownership
- a great need for "non-pub" options such as a café, games, catering as well as takeaways, live music, drop-in sessions and the return of the shop
- a strong support for the restaurant at weekends as well as weekday lunches
- and the discovery of a wealth of expertise amongst a strong team of volunteers who would be willing to fund raise, help run, and work in the Pub.

The local Community

Foulde is a small rural agriculturally based village on the edge of the Brecks, in the District of Breckland, and consists of 176 dwellings. It lies 7 miles south west of Swaffham and 30 miles south east of King's Lynn, close to nature reserves at Lakenheath, Weeting, as well as its own SSSI collection of pingoes on Foulde Common. Local tourist attractions are close by at the National Trust's Oxborough Hall, Gooderstone Water Gardens, West Stow Saxon Village and the Burrell's Steam Tractor Engine Museum at Thetford.

The village population has remained stable since the 1801 census when it once supported 6 ale houses, the Bell which later changed its name to the White Hart Inn being the sole remainder. Still very much an agricultural village, only two farms remain with much of the remaining land being absorbed into larger holdings. However, the village now supports a plumbing and building business, an electrical contracting concern, as well as many self-employed /sole operator businesses from building to project management.

The post office and shop closed 25 years ago and the primary school some 50 years ago leaving

no other amenity other than the Village Hall (built by the villagers over 40 years ago) and the White Hart Inn.

From the data collected from the 2011 census, Foulde n and its immediate area is deemed to be the one of the highest areas of deprivation in the country for housing and local services.

Deprived of any regular local transport, the village follows the trend for the area where more than 28% of the households with no adult employment and 40% having only 1 or no forms of transport available.

The village age structure shows, out of 430 people in 2011, 26 % are over the age of 60; 45% over the age of 55, with 16% below the age of 15. With the withdrawal of local services for young children and families such as Sure Start Centres within the district, there is a growing need for community support particularly for the 6% of households with lone parents with dependant children. Access and support for the 30% of the households with one person with long term health or disability, coupled with an aging village demographic, a village with poor public transport cries out for local support to help invigorate the social wellbeing of the community which the proposed hub, The White Hart Inn, can be part of.

The planning of the amenities and services that the pub will provide will reflect these different and disparate groups ensuring the pub is at the heart of the community.

The Current Position

Whilst Foulde n has a thriving community it has been clear over recent years that the local business and services are under threat. It is challenging for any business to survive in a rural location with a limited market, so it has become clear that to prosper, more than one business needs to operate under the roof of the White Hart Inn and innovation and local commitment is paramount. The Community pub will support the local economy, providing employment as well as purchasing local produce, goods and services, support other service providers and enterprises.

To progress this proposal a group was set up during the summer of 2020 to:-

- set up a legal entity to progress the purchase of the pub called The White Hart Inn Community Benefit Society Ltd.
- Gain approval of the pub to be listed as an Asset of Community Value to protect it through the Localism Act's right to bid legislation
- Start negotiations with the owner to purchase the pub on behalf of the local community
- Prepare and issue the share prospectus including the tax benefits under the SEIS & EIS rules.
- Gain support from The Plunkett Foundation, Pub is the Hub, Foulde n Parish Council and Breckland District Council.

The Future

The community pub sector was growing at 30% during the year prior to Covid, with 14 new community pubs opened during the year, adding up to 85 known community pubs trading across the UK at the end of 2017. Not one of these pubs, supported by the Plunkett Foundation, has failed.

These enterprises in community ownership have varying business models, relying on a matrix of voluntary and professional management. In all these models, any profit from the business can be invested back into the pub or other facilities/activities within the locality. For the community shareholders, there is the knowledge that their investment is being put forward for the benefit of the Village as well as offering the potential for a small financial reward through a dividend or interest.

The effect of this will be multi fold:

- A vibrant core as part of re-establishing of a re- invigorated community
- An agent of change in the support for the elderly and isolated in this rural community
- A source of financial support to improve the activities and facilities for the young and old.

Vision, Aims & Objectives

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The vision for the Project

The vision of the project is:

“To develop a Foulden Community Hub that will be the heart of the village providing the catalyst, through its services, to invigorate the sense of community spirit and wellbeing.”

The project aims & objectives

The aim is:

“To provide a flexible, multipurpose community facility that enables participation in social, cultural and leisure activities for the whole community”

In order to deliver this aim, the objectives will be to :

- Open a community pub & café in Foulden that is inclusive and welcoming, serving reasonably priced, good quality food & drink in a friendly setting for people to meet
- Facilitate access to essential services especially for the older, less mobile, isolated people
- Restore the hub of the village with a pub & café that supports the local economy, enhances village life, helps alleviate loneliness and reduces rural isolation.
- Build and sustain a successful Bed & Breakfast operation, supporting local industry and tourism.
- Introduce an “essentials counter” selling basic foodstuffs, stamps, confectionery & newspapers.
- Preserve and develop a historic building within the community which is part of the heritage and history of this rural location.
- Maintain a car parking area that can be used by various people, school children, cyclists and ramblers visiting the nearby SSSI with its pingo ponds and kettle lakes.
- Provide a book lending/library and an early learning meeting point for young mothers and families.
- Provide a regular venue for social clubs such as bridge, photographic, ramblers, history society, providing entertainment, fellowship and learning.
- Provide an arts focal point and with a regular live folk music venue for the musicians and their supporters.
- Provide volunteer , employment and training opportunities for especially young people from the village.

The White Hart Inn has the great potential to be so much more than a pub.

Business Proposals

The vision is that the White Hart Inn becomes the heart of the Foulden community through the provisions of various services:

1. As a traditional local Village pub

a. To serve real Ale and sensibly priced wholesome food.

The pub will embrace the community and therefore will provide food and facilities for the whole family. Themed nights will harness the talents of the village and will continue with the folk evenings, quiz nights, themed meal experiences as well as the bridge & domino groups. The pub has been traditionally quiet at the beginning of the week, being popular at the weekends. The activities & events will aim to change this by having as many evenings as possible so that the various groups in the village will have a reason to go to the White Hart .

The food offering will start modestly with bar snacks whilst the chef begins to extend the menu . The intention is to provide traditional pub fare and not to create a false pretentious gastro experience; to serve the community, passing visitor trade as well as supporting local businesses. The pricing of the food & drink offerings will be attractively priced to encourage visitors.

b. To provide a place to meet, providing a daytime venue.

Whilst the plan is not to open every day initially, the White Hart will be available for groups to meet during the day. It is envisaged that toddler groups, outreach

charities and the like will provide services for the village in more convivial surroundings than perhaps the Village Hall can provide.

- c. To provide a takeaway service from the kitchens to reach the least mobile who would still like to benefit from the Pub's presence.
 - d. To provide work, apprenticeship and volunteering opportunities for younger members of the community both in the hospitality and social services.
 - e. To provide a convivial atmosphere for the traditional pub games which all members of the community can join in with. There is already a thriving bridge group. To extend the evenings to cribbage, whist, darts would be a simple step to take.
2. As a Bed & Breakfast
 - a. There are 3 bedrooms en suite available for short and long term letting which in the past have had an 80%+ occupancy rate. Competitively priced, it has been used by house buyers, local contractors, as well as tourists and visitors to the area. It is proposed that this part of the business is actively promoted within the area and using the available accommodation web sites such as Booking.com.
 - b. There is a 2 bedroom self-contained flat immediately above the bar area which will be available either for the employed manager or for long term rental.
 - c. Both these forms of accommodation will provide the base income for the business
 3. As a Village Shop
 - a. The Village has not had a shop for over 20 years and is one of the main requests from the questionnaire recently conducted. The proposal is to maintain an "essentials" shop (bread, milk, eggs, fresh veg, newspapers,) in part of the pub. It will be managed by the volunteers and open in the mornings, and at other times when the pub is open. The objective is to provide a crucial service for the village, but which is also understood not to be critical to financial viability of the overall operation.
 - b. To provide additional counter services
Once the shop has been established, additional services such as post office support (parcel pickup and delivery, stamps) can be introduced to improve the viability of the shop operation.
 - c. To provide work, apprenticeship and volunteering opportunities for all members of the community. This element of the operation is open for some entrepreneurial management to reflect the demands of the village
 - d. The Shop will be run from the bar with the goods being displayed in an area adjoining to the kitchen area and so will have minimal set up costs.
 4. As a Village Café
 - a. It is realised that not all the village would use the Pub in the traditional manner. With the ethos that the White Hart Inn is for the benefit of the village, part of the activity of the pub will be to run a café outside normal opening hours for the serving of alcohol. It will continue to provide a meeting place where the young to the old can meet enjoying each other's company and support, so continuing the objective to reinvigorate the community spirit.
 - b. The area initially set aside would be the old lounge area, and as numbers grow

then the bar areas will be adapted to be made flexible in their uses.

- c. The café, with support from Alzheimer's Society, will operate as a weekly/monthly dementia café. The support of the senior members of the community during the day is paramount as there is no existing structures in place.
5. As a regular venue for live music
 - a. Before the pub closure there were well attended monthly folk evening which attracted players from Foul登 as well as from the surrounding towns and villages. The plan is to extend these evenings with other genres.
6. As a meeting point for visitors
 - a. The pub is on the route of a popular cross country cycling route; close to a SSSI renowned for its pingo flora & fauna; close to popular rambling routes as well as the National Trust property of Oxborough Hall. The intention is to increase the attraction to these groups and make it an attractive stopping over point, making use of the garden and carpark facilities.
 - b. To optimise the available time during the week, the Pub will welcome social clubs to use the facilities as a regular meeting point.
 - c. The foyer will be set up as an information centre for walks, cycle routes, neighbouring events and sites of interest, with maps and literature.
7. As a venue to encourage volunteering and charitable work
 - a. Initially the pub will be reliant of volunteers to help run the service the daily/weekly tasks of the operation. This will provide an opportunity for those in the village to use their present or past vocations to serve the community.
 - b. It is a central point to bring together work teams so increasing social interaction across the village.
 - c. Young people will be encouraged to apply and work in the Pub so enhancing their social and life skills, working in the bar, kitchen and maintenance tasks.
 - d. Being members of the Society, they will have a role to steer the objectives of the Pub so that all members of the community are catered for.
 - e. The garden and other areas will allow for a small allotment area to encourage children and others to get involved in growing produce for the Pub.

Business Model

The Society believes the best way of achieving our aims is to purchase and operate the White Hart Inn as a community pub. The Society has been set up as a legal entity to issue shares and raise funds to purchase the property and as a co-operative, with the Village's support, manage the operation of the pub.

The Pub will have a Operating Board, made of elected members to cover the major functions of the business (finance, operations, marketing, publicity & research, liaison), which will manage strategically with the day to day operations delegated to a permanent manager and a team of paid & volunteer staff.

The benefits are:

- The local community, through share ownership, would own the building in perpetuity.
- The people will feel committed to the facilities offered by the pub and involved in its success.
- Provide a centre for young & old to meet; to connect and break loneliness barriers and provide support to those in need.
- To replace loss services for the village

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- As a Society, it will be able to attract grants and funding from external sources, adding accumulated funds from future profits to augment or extend the facilities and activities of the pub.
- The village, through share ownership, will be provided with a modest return by means of dividends from the success of the pub
- The model is a replication which has been used extensively throughout the community pub community.
- As the business model is for the benefit of the community, there is no obligation or commitment for excessive rates of return on investment to service external contracts or 3rd party freeholders. This will allow the operation to concentrate of the quality of it delivered services rather than working solely to achieve an impersonal profit target.

Future Options

As the building will be purchased as a freehold, the community will have the option to develop the range of services to match their changing demands. Given that the proposed business model is viable within its current form, adding additional services can be added at a low risk with incremental costs.

Such options may include:

- Gradually extending the opening hours
- Expanding the village shop activities
 - Café offerings
 - Longer hours and wider offering of the “essentials” shop
 - Local produce and supporting other entrepreneurial food outlets such as bee keepers
- Library and book lending
- Working with health & social service providers as a drop in centre
- Farmer’s markets in the carpark
- Car boot sales in the carpark
- Lunch or supper clubs for pensioners
- Dry cleaning drop off point

The opportunity for growth of these services is limited only by the space available and the demand for the services.

It is anticipated that any future expansion will be financially justified supported by a combination of retained profits, grants and additional share offers.

Shares issued by The White Hart Inn Community Benefit Society Limited

As a means of raising the required capital shortfall from donations, grants & loans and the purchase price, shares will be issued by the Society and will be made available once an agreement in principle to purchase the White Hart Inn is in place. Unlike shares on a stock market, these shares cannot increase in value, so trading in the shares is only between the investor and the Society. It should be noted that the shares can devalue if the Society were to be dissolved but this is mitigated by the majority of the investment being locked into the capital of the property itself.

The Society also intends to apply for Enterprise Investment Scheme tax reliefs which will give 30% tax relief on the value of their shares for UK based individual taxpayers.

The cost of the shares is £1 with a minimum holding of 100, and a maximum 25 000 per investor.

Owning a share automatically gives the member a say in the running of the Society. The status of every member is equal, irrespective of the number of shares owned.

The membership will elect a board of directors annually who will manage the Society on the membership’s behalf.

Full details of the share ownership can be found in the Share Prospectus.

Building & Renovation

A full building survey will be required but initial estimates are up to £90 000. The work that is required to be completed prior to opening as a minimum includes:

Kitchen

The whole area has been stripped of all fixtures and fittings. The area will have to be re-equipped with correct food preparation and storage equipment as well as being fully redecorated. The extraction system will need to be replaced if natural gas remains as the cooking medium. The floor is in reasonably good condition, but doors and windows will ultimately need to be replaced.

Bar & cellar

The whole area has been stripped of all fixtures and fittings. The area will have to be re-equipped with delivery and storage equipment as well as being fully redecorated. Whilst extensive, there is help and assistance available from breweries with training and equipment to bring the area up to an attractive standard.

Accommodation

The flat will require to be fully re-decorated and deep cleaned to make it useable. Whilst the bathroom facilities will require some cosmetic improvement the kitchen has been stripped of all its fixtures and fittings and will be required to be re-equipped to an acceptable standard. The bedrooms and living area are presently unfurnished.

The B&B rooms are of varying condition. Redecoration will be required with some fixtures & fittings being replaced. Room 3 will need further work due to weather ingress.

Public bar area

Once again, the area has been stripped of all tables & chairs and will need redecorating. In the longer term the doors and windows will need to be replaced once additional funds become available.

Toilets

In fairly good condition with only cosmetic improvements necessary.

Building in general

Without a thorough survey, the only immediate concern is the leak in the conservatory and the replacement of some broken glass.

Remedial work to the gutters, roof, windows and brick work will be ongoing and dependant of the business surplus funds and volunteer participation.

The general internal décor needs improvement, which, with volunteer help, can be quickly carried out.

IT

There is no internet outlet in the Pub. To enhance the experience and the attractiveness of the café and accommodation, this will need to be installed. The opportunity of a fibre linked system is very possible due to the close proximity of the local junction box.

Marketing Plan

There are 3 fundamental elements to the Society's plan.

- Build the Customer base: Increase the number of customers that use the facilities
- Build Customer loyalty: Increase the frequency with which the customers use the facilities
- Build Customer value: increase the value of each visit made.

The target population is:

- The local people - young, old, families, people with limited mobility – from the village and local area of Foulden
- Visitors to the area particularly cyclists, walkers, bird watchers, tourists.
- Groups highlighted by demographic data from 2011 census
 - Single parents with dependent children
 - Households with adults with long term health or disability problems
 - Retired adults

The marketing plan will be flexible to respond to the changing nature of the business as it develops.

1. Building the Customer base.

In the early days this will be based around increasing awareness of the new community pub and what it has to offer, prior to opening and continuing to do so once the pub is open for business. This will be done by an extensive variety of outward looking campaigns using all forms of media.

- a. Print media.
 - i. Extensive leaflet dropping to all 176 households outlining progress and plans and, when appropriate, details of upcoming events
 - ii. Articles in the local parish magazines which reach a further 1400 householders in the district
 - iii. Articles and photographs into the local press such as the King's Lynn News, Eastern Daily Press, and the Watton & Swaffham Times.

The aim is to create awareness and interest in the reopening of the pub and what will be on offer, emphasising the community aspect of the enterprise, so that readers become visitors and so spread the news by word of mouth.

- b. Social Media
 - i. This will mirror the print media campaign using a series of interactive social media platforms to augment the awareness and interest a younger and more widely dispersed audience.
 - ii. There will be a formal website supported by more interactive platforms such as Facebook, Twitter, and Instagram. The Facebook is already up and running gaining membership and spreading awareness amongst a wide community.
 - iii. These platforms will allow the Society to actively keep the members informed on a daily basis as well gaining feedback. There will be regular photographs & articles which will be shared across Facebook groups and websites to ensure a wide as possible audience is reached
 - iv. Once in business the social media will be a fast way to broadcast events, menus, and activities, as well as successes and achievements
 - v. Specialised articles to other sites such as local cycling, ramblers, tourist organisations to generate interest
 - vi. Email article shots to targeted addresses of those who have expressed interest to be kept in formed, or specialist interest groups

2. Building Customer loyalty

- a. Creating a welcoming & attractive atmosphere
The correct selection and training of the staff employed. Great first impressions and good customer service are paramount to generate return business. Prompt service, in a friendly manner and complaints promptly dealt with will help sustain and increase a loyal base.
The fabric of the building will be maintained to provide an environment the customers are expecting with regular inspections and dealing with remedial work promptly.
A regularly changing menu with guest beers , stressing the use of local suppliers whenever possible, will help maintain the customers interest and encourage repeat visits.

- b. Events & activities
These must be aimed to engage all elements of the local community as well as outside visitors. There will be a mixture of regular activities (book clubs, bridge nights, quiz nights, live folk music, monthly themed suppers) interspersed with one off events such as Trafalgar Night, Valentine's , May Day and restoring the

annual Pram race down White Hart Street! However, there will be small, more targeted events for specific groups such as single parents so that every element of the village's society can be engaged.

c. TripAdvisor type website monitoring

This will be critical to monitor all of the hospitality review websites to ensure complaints are promptly dealt with and acted upon. The pub's reputation in the early days will be paramount to ensure a smooth start and to build on the opening success.

3. Build Customer Value

a. Prior to the pub's closure in 2019 the White Hart Inn functioned as a business offering food & drink with a B&B operation. By increasing the number of services under one roof the pub will aim to attract a wider audience so increasing the revenue generated by each visitor as well as encouraging them to use the other services on offer then or later.

b. Increase the staying time for each customer.

i. Somebody popping in just for a drink to be tempted by a prominent tempting menu to stay to eat

ii. Those using the essentials shop enticed to stay for a coffee in the café by the smell of freshly ground beans

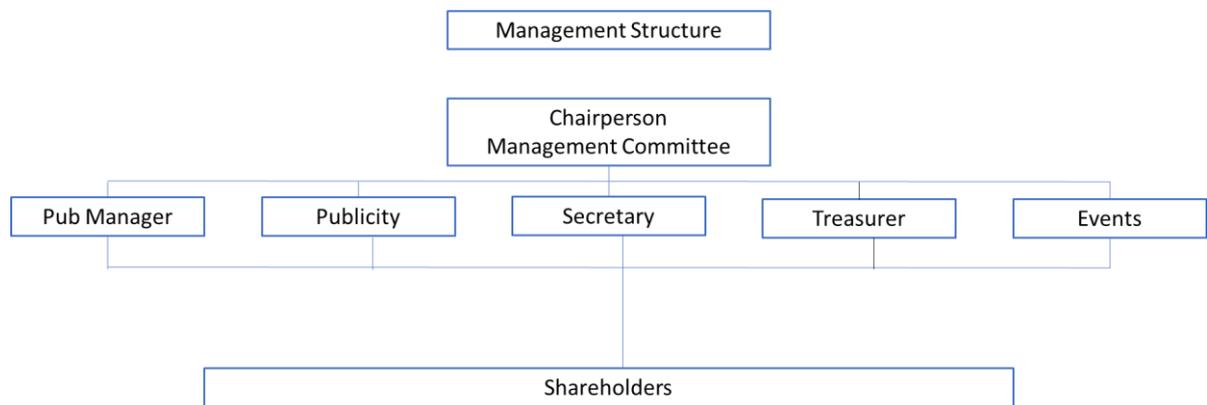
iii. Newspaper and books to encourage longer dwell times

iv. Good wifi connections to encourage visitors or businesspeople to stay longer (the fibre optic cable is terminated outside the pub so it must have the best connection speeds in the village!)

v. Ultimately if the surroundings are comfortable, pleasant and the welcome is always bright then people will be encouraged to relax and spend.

Management & Operation

1. The White Hart Inn will be an asset owned by The White Hart Inn Community Benefit Society Ltd. This legal entity emphasises the social benefit of the project and gives the directors protection of limited liability. It guarantees an "asset lock" that ensure the assets of the Society can only be used for the benefit of the community and cannot be disposed of for private profit. The Society has a constitution that is approved by the Financial Conduct Authority and is available on the web site.
2. The business will be overseen by a board of directors elected by the members. The aim is to have as wide as possible representation of the community with a range of experience and skills to provide the strategy and development of the pub. They will meet regularly with the members and the staff of the pub to ensure the enterprise is well managed and is achieving its business objectives.
3. The Society will follow the Plunkett Foundation Model Rules of Community Ownership version 5, dated June 2019. These rules are attached to the website www.fouldenwhitehart.com
4. The regular meetings will discuss the following, (not exclusively)
 - a. The financial position of the Pub
 - b. Marketing and advertising of events
 - c. Repairs and improvements
 - d. Volunteering and village participation
 - e. Future developments
5. The day-to-day operations will be managed by a salaried manager, with his team of permanent and volunteer staff, appointed by the board. His salary will have an element linked to development, growth and success of the business.
6. The Manager, if not already a shareholder, will be an ex officio member of the management committee.



7. In the initial period, the Society will employ a retired senior hotel manager who has volunteered to assist in recruitment and the re-equipping process of the Pub. He will also provide expertise and governance during the refurbish and setting up of the Pub prior to launch and re-opening.

The management committee, whilst extremely experienced in business, lacks hospitality industry knowledge or exposure. The recruitment of an experienced Pub manager, who has had managed a B&B operation alongside the food & drink operation will be essential. Besides bring in the volunteering hotel/pub expertise, discussions with other Community operations will help avoid the pitfalls of poor personnel selection at the start.

Financial Forecast

The costs are based on the last tenants' actual figures but ignores any projection of revenue & costs from any other proposed operation such as the café or shop. The pricing has been checked and verified using set menus against, prior to shutdowns, other existing operations. Based on that, The White Hart Inn projects to provide a competitive position in the traditional (non-gastro) pub sector.

The room letting has been checked against a local B&B operator's advice and reviews of competing operations via Booking.com and other similar web sites.

The cost of purchase of the property is based on an extensive survey and assessment of the business by Mike Hughes of MJD HUGHES Limited, a member of the Royal Institute of Chartered Surveyors.

Cost of Acquiring the Building and Land;	£ 160,000**
Refurbishment of the Pub, Restaurant and Accommodation	£ 90,000**
Pre-trading Costs (estimated) Insurance, Professional Fees, Stock & consumables, Contingency	£ 20,000
Cash Contingency (anticipated)	£ 10,000
Total	£ 280,000

** This will be subject to a final inspection & valuation. At the time of writing, these costs are based on the surveys and valuations conducted in 2020 and January 2021.

Refurbishment Costs

These costs will cover the following: -

General Exterior repairs	£10,000
Kitchen Refurbishment	£40,000
Repair and refurbish manager/flat, B&B accommodation.	£15,000
Window repairs.	£ 5,000
Internal Furnishing.	£10,000
Conservatory leak	£ 5,000
Internal & external decoration	<u>£ 5,000</u>
TOTAL (subject to final inspection & evaluation)	<u>£90,000</u>

Profit and Shareholder Interest Payments

The White Hart Inn Community Benefit Society Limited is a Community Benefit Society registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014, registration number 8442. A Member of the Plunkett Foundation

www.FouldenWhiteHart.com

(Subject to Covid restrictions being lifted and refurbishment & re-equipping is done prior to the start of the financial year)

Summary Financials	Year 1(part)	Year 2	Year 3	Year 4	Year 5
Gross Income (Food, liquor, & accommodation)	£62,892	£147,296	£199,128	£209,084	£219,538
Operating Profit	£41,008	£97,744	£131,418	£137,988	£144,888
Expenditure (Wages & expenditure)	£38,636	£77,272	£84,999	£89,249	£93,712
Maintenance & improvements				£20,000	£30,000
Profit/ (Loss) From Trading	£2,372	£20,472	£46,418	£28,739	£21,176
Net Surplus/ (deficit) after Tax & interest/loan repayments	£810	£6,991	£15,851	£9,814	£7,231
£ Interest Paid to Shareholders (based on £160,000)	£0	£0	£0	£0	£8,000
% interest Paid	0.00%	0.00%	0.00%	0.00%	5.00%
Shareholder Reserve Fund	£810	£7,801	£23,652	£33,466	£32,697

Notes

The forecast is assuming a post Covid position. It is unlikely that the pub sale will occur prior to August 2021 and normal hospitality industry norms returning until June 2022.

Initially the pub/hub will not be open on all days and will initially open Thursday to Sunday, following similar protocols followed by other Community Hub launches. As reputation, service and footfall increases then all services will be extended.

The Pub will not initially apply for VAT registration, but will intend to during Year 2

The Society recognises it has the objective to achieve a turn over of £250k by year 5/6 but is cognisant that the pub has been shut for 3 years after 5-7 years of poor management & service. There is a reputation to rebuild which will take time. The forecast is prudent and has been set as an achievable target.

Funding

The share scheme is planned to raise £160 000 with the difference coming from donations, loans & grants from such agencies as the Plunkett Foundation

Share Funding	£160,000
Grants (Plunketts or similar)	£ 50,000
Loans (Plunketts or similar)	£ 50,000
Fund raising & donations	<u>£ 20,000</u>
Total	<u>£280,000</u>

Risk Analysis

Risk	Mitigation
Initially, insufficient capital is raised to meet an agreed sale cost	The sale does not go ahead, and all the monies are returned to the investors. The Board is tasked to re-negotiate if the option is available. A further share scheme is launched
Insufficient capital raised	The sale does not go ahead, and all the monies are returned to the investors.
Business failure after launch	The property is sold, and the proceeds used to refund the shareholders. If the value of the sale is less than the total liabilities it will result in a loss for the shareholders. If in excess, then another community asset will benefit.
Wet sales are lower than expected	Greater publicity using all forms of media Promotional activity at quieter times Review offering (unpopular or no choice, etc) Review feedback for reasons (taste, temperature, etc)
Wet sales are greater than expected	Potential increase in permanent staff Additional capital expenditure on storage and fixtures
Food sales are lower than expected	Greater publicity using all forms of media Promotional activity at quieter times Review offering (unpopular or restricted choice, etc) Review feedback for reasons (taste, temperature, service slow, etc)
Food sales are greater than expected	Consider additional chef and incremental costs of overheads Consider price improvement Consider additional seating areas (outside in summer) and incremental costs
B&B sales are lower than expected	Greater publicity using all forms of media Promotional activity at quieter times Review website(s) feedback and take action Compare competitor offering
Café and essentials store not supported	Greater publicity using all forms of media Promotional activity at quieter times Review opening times Review website(s) feedback and take action Review offering Consider closing
Café & essential stores sales greater than expected	Consider additional staff and incremental costs of overheads Consider price improvement Consider opening time extension Consider additional seating areas (outside in summer) and incremental costs Extend offerings

Manager /Chef not up to expectations	Review performance and replace if necessary
Manager/chef leaves with little or no notice	Ensure one of the committee members holds a licence to be able to cover the position until a replacement is found
Major structure problem with the building not picked up on any survey	Investigate additional source of finance if insufficient reserves If insufficient funding closes the business and seek to sell the property If sufficient, affect repairs whilst maintaining some form of operation if possible.
The owner accepts a third party offer to run as a pub.	Cooperate with potential owners, halt the share offer and return moneys received. Once sale to third party is completed, we would renew the Asset of Community Value Registration in order to ensure continuity as a pub.

Opportunity Analysis

Opportunity	Response
Outside catering	Expanding to assist the Village operation to support events such as the Fun day and ad hoc parties
Working with health & social service providers as a drop in centre	Expanding the outreach capabilities of the Pub to the less able/mobile of the community
Farmer's markets in the carpark	The space is capable of holding 10-20 stalls so encouraging local events and outlets to come into the Village
Allotment	The Beer garden is large enough to be able to hold 1-2 decent size allotments to encourage a gardening club growing vegetables for the Pub so improving is appeal to visitors
Lunch or supper clubs for pensioners	Once the operation is up and running and in a steady rate of growth, then subsidised seniors' lunchtimes will reach out to the isolated members of the community
Extend the B&B operation	At present it is a 3 room extension to the Pub. Building a second storey will double the operation and its revenue
Walking/Cycling and Nature destination	To extended the publicity about the SSSI and to develop a series of walking paths linking other villages so encourage more drop in visitors.

Threats & Weaknesses

Threat or Weakness	Response
Covid	Plan the purchase and refurbishment, and so the reopening to coincide with the relaxation of regulations

Lack of hospitality management	Encouraging successful retired hotel managers and publicans to volunteer will help safe guard the Society from the fundamental mistakes in the set up and early days of the operation
Post Covid poor economic climate	By setting up the pub to be diverse in its offering but not over extended in resources will help hedge against slow up take in any particular area,

Appendix 1

SAVE THE WHITE HART INN, FOULDEN

COMMUNITY PUB QUESTIONNAIRE ANALYSIS - NOVEMBER 2020

The following is a summary of the information received from the Community Questionnaires circulated to households in the village of Foul登 and its immediate locality, via, hard copy, Facebook/Survey monkey.

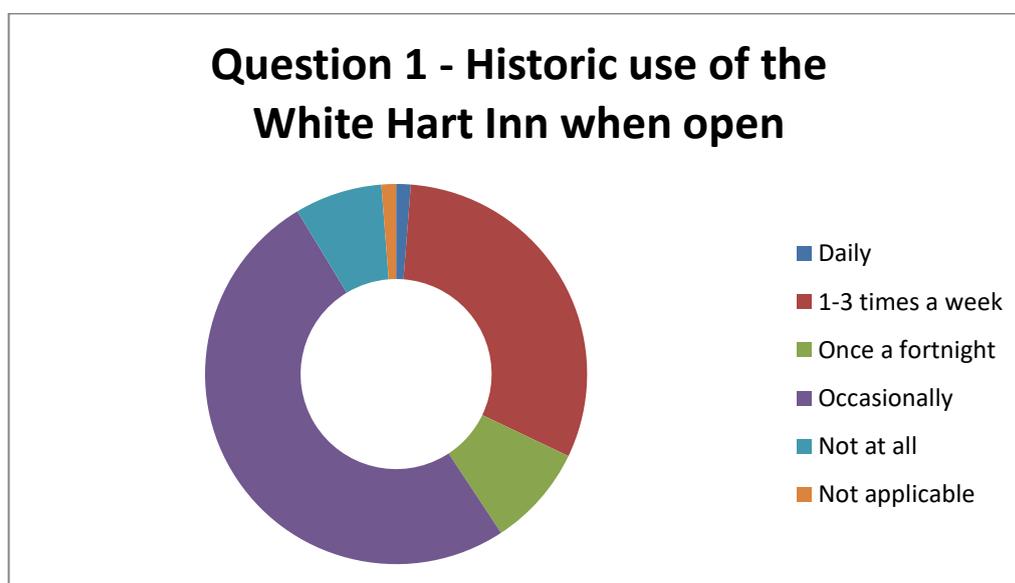
The aim of the questionnaires was to ascertain the level of interest in supporting a potential Community Purchase of The White Hart Inn. The objectives were;

- To ascertain the community's potential use of The White Hart Inn in the future
- To understand what the village would require of a Community pub
- To explore the levels of interest in Community Funding
- To determine further non-financial support

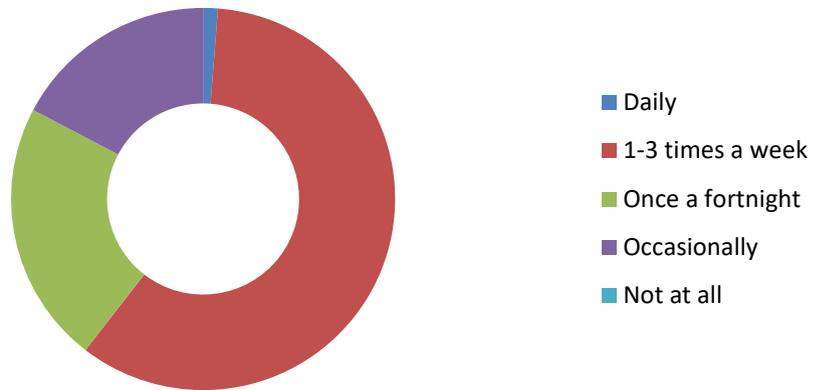
The questionnaires were delivered to the majority of the households in Foul登 in November 2020. We were fortunate to be able to call upon an existing volunteer network for the household deliveries, as well as the local postman.

We were conscious that due to COVID-19 regulations the collection of this valuable information was not perfect, and we accept that the level of response may well have been affected in view of the 4 week lockdown.

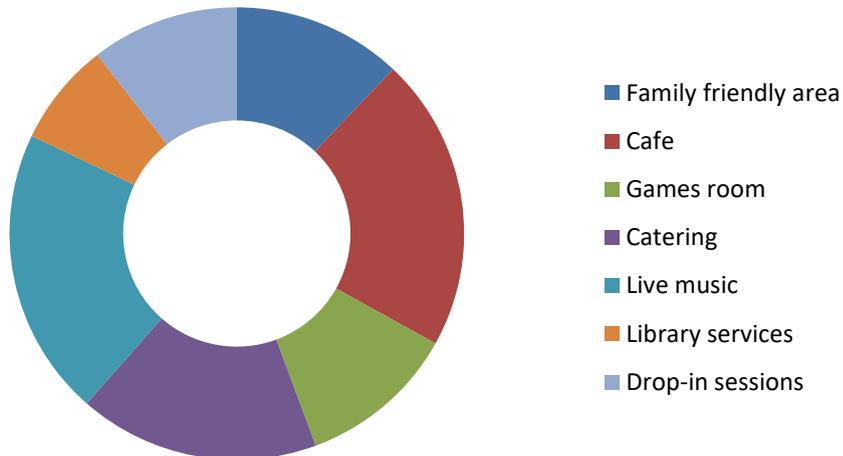
However, based on the results so far, we have received a total of 81 responses representing a return rate of just over 52%. This was our second Community Survey, the first showing a response from 19 households representing a return rate of 12.3%, which shows a growing interest and resolve to save the Pub.



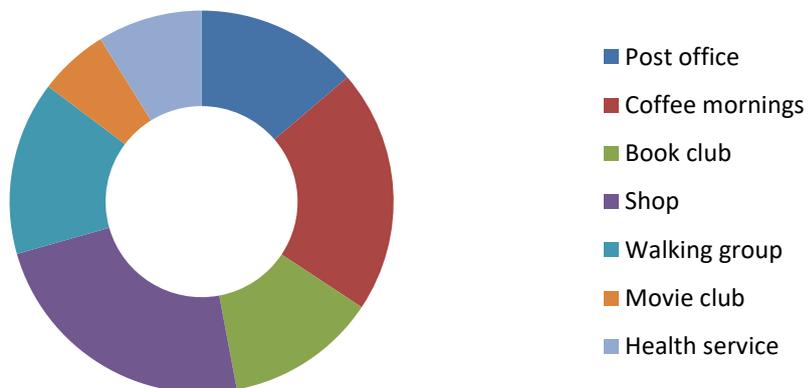
Question 2 - If it became a Community Inn would customers return



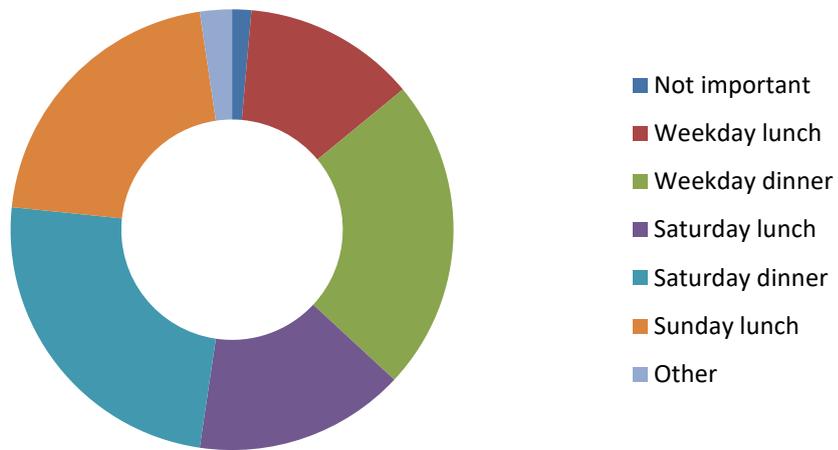
Question 3 - Additional services offered



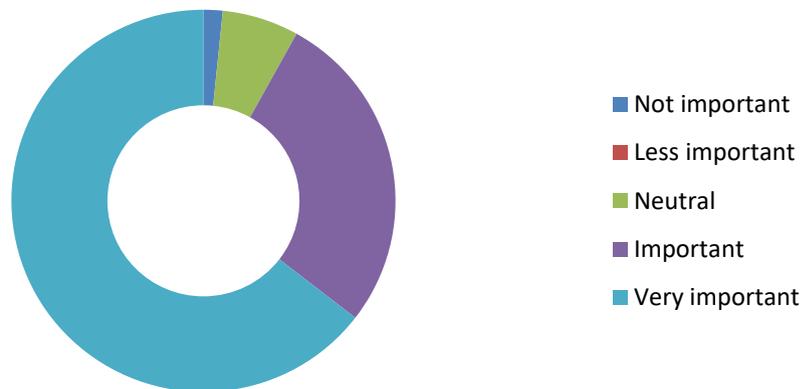
Question 4 - Extra Community services/activities on offer



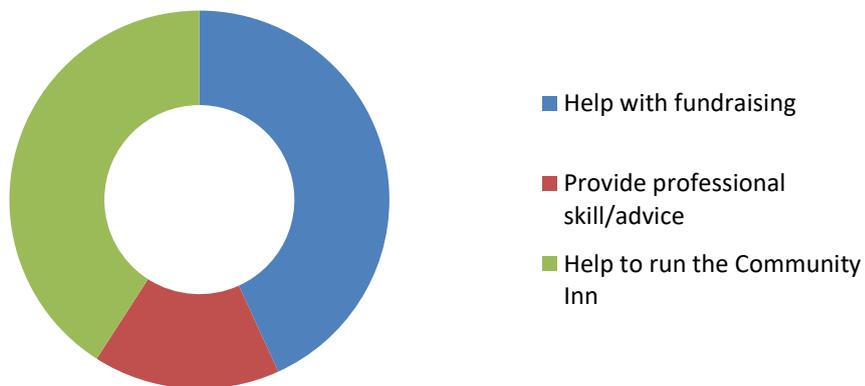
Question 5 - Serving of food



Question 6 - Importance of having an Inn in Foulden



Question 7 - Interest in helping a Community Inn project



Summary of additional comments and services that were included by responders

Additional comments were added by over 62% of responders and these have been consolidated under the following main headings – see also Response Sheet.

Welcoming atmosphere

Pub should be friendly and efficient and adequately supported at busy times. It seems to be a fundamental part of the way in which a local pub should be run so that everyone visiting experiences a warm and welcoming atmosphere.

Guest ales

13.6% of responders identified that they wanted good quality, well-kept beer with the possibility of some being sourced from local breweries. The White Hart Inn was mentioned in The CAMRA Guide and therefore has an historic reputation for the variety and quality of the beer. Responders feel that this is an essential ingredient going forward.

Comfortable and cosy environment

To encourage more visitors to The White Hart Inn, it was felt that renovations would have to be undertaken inside the pub to provide a comfortable and warm environment in which to eat, drink and converse.

Family, Children and Dog Friendly

Over 70% of responders felt that this should be an important consideration for The White Hart Inn. There were also positive references for the need for a dedicated area for children, perhaps with books and board games for their entertainment

Clubs, events, meetings and a focus for The White Hart Inn to be more of a village Hub.

Over 60% of responders expressed a desire for an increased range of functions and facilities for events. Regular quiz nights, music nights, bridge club, themed evening meals such as fish & chip night, curry night, Mexican/Italian night were suggested. Sporting activities such as pool, darts and cribbage were also mentioned.

There were many references to the need to establish The White Hart Inn as a Community Inn. The ability to cater for drop-in visitors such as cyclists and walkers.

Safe garden for children

Over 37% of responders said that they would like to see The White Hart Inn have an attractive pub garden and one that is safe for children.

Good coffee from The Cafe

Over 66% of responders indicated that they would like to have good coffee/tea from The Cafe with a range of additional hot/cold drinks and snacks.

Village Pub Character

Over 18% of responders felt that over the past 12 years repairs and renovations to the pub have been seriously lacking due to bad management by the previous lease holder. Responders felt that

in the last year of business from March 2018 to April 2019 the Inn had begun to show signs of definite improvement and was becoming a hub for the community of Foul登 but that had ended when the Inn closed.

Affordable prices

Responders felt that keen pricing on drinks and food would bring people back to the pub.

Food

Whilst this was covered by Q.5 in the questionnaire there were other comments that this is a very important service and would encourage more visitors. "Good honest pub grub' was a recurring comment together with suggestions for vegetarian/vegan food also.

Other suggestions were:

- Cribbage team
- Off licence
- Themed food nights
- Youth club
- Monthly health service
- Library
- Parents Group
- Shop
- Banking service
- Walking group
- Bridge club
- A parcel drop-off and collection point
- Take away food service
- Ladies lunches
- Movie/cinema club
- Mother & toddler group
- Dog friendly environment
- Cookery classes
- Coffee mornings
- Post office
- Book club
- Village history club

Appendix 2

Biography of the Society Members

Stephen Ward – Chairman

Stephen is qualified project engineering manager who has worked for many years in the East Anglian food industry with such operations as British Sugar, Premier Foods, United Biscuits, and the Hain Daniels Group. On returning from the South African gold industry and the Cornish tin mines, he has been involved at all areas of food industry management rebuilding and refurbishing multi-million-pound factory operations.

Luc D'Iorio – Secretary

Luc is a qualified barrister and solicitor and has practiced for many years in Canada. He also holds a Masters in Business Administration. He has had a long and successful career in investment banking in Canada, the City and in the Far East. In recent years he has been adviser to Ministers of Finance in South East Asia and in Africa on behalf of the IMF and the World Bank.

Robin Mears – Treasurer

Robin is a qualified Chemist who has had a successful career in the essential oils and fragrance industry. Having retired from Treats plc as Technical Director for 16 years, he now works in the voluntary sector providing financial guidance and advice. Robin is an accomplished folk musician.

Neil West – Web Site & Community

Neil has been in East Anglia since 1980, the last 5 years in Foulde n where he is a Parish Councillor. A qualified mechanical engineer, he moved into management in the mid-1990s. he is currently responsible for a staff of 30 and a £3m annual budget as the Operations Director of the UK arm of a multinational organisation, manufacturing product for the Energy, Oil and Gas sectors.

David Stancombe – Publicity & Community

David is a qualified Science teacher who taught at the Luton & Hitchin Grammar Schools for over 30 years until becoming a Chief Examiner for a wide range of educational boards. On retirement he has been involved in various voluntary roles including the local press.

Ken Stone – Publicity & Community

Ken is a highly qualified scientific and technical photographer who has had a successful career with the Royal Armament Research and Development Establishment, later changed to The Defence Agency (1991) working as Chief Photographer at the main establishment in Kent. Specialising in high-speed film & digital trials recording in the UK, Europe and USA he worked with all three branches of the services. Ken took voluntary redundancy in 1993 and then formed his own company "Fast Image" in 1994 offering consultancy work in high-speed digital imaging to the Ministry of Defence UK, Tech Foto West Nevada USA, Transportation Technology Centre Colorado USA and the Association of American Railroads USA. Ken is 72 years old and moved to Foulde n in 2007 when he retired.

Jane Winterbone – Social Media & Community



In preparing this share offer we have received support from the following organisations



Fouldey Parish Council

Plunketts Foundation & their representatives