

TRAWDEN ARMS

More than a Pub

Business Plan to establish the Trawden Arms as a freehold Community Pub



TRAWDEN FOREST COMMUNITY PUB GROUP LIMITED

Registered with the Financial Conduct Authority as a
Community Benefit Society, Number: 8594

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Our thanks for support from



Executive Summary

It is vital to the residents of the parish of Trawden Forest that the last remaining village pub continues to provide social benefits to its community and that its future is secured for future generations to come. Neighbouring village residents will also benefit from a nearby pub as will the many visitors we get who frequent the area to walk, and cycle as part of Trawden's developing tourism business.

Residents have overwhelmingly expressed their support to continue to have a local pub and have demonstrated their commitment to visit more frequently if it were community owned.

Trawden Forest's Neighbourhood Plan emphasises several key principles to which this business plan supports.

- Supporting a prosperous rural economy
- Supporting the vitality of rural communities
- Promoting healthy, inclusive communities
- Conserving and enhancing its historic environment

More Than a Pub

This business plan sets out our vision for the development of a valuable community resource that will be very much more than a pub. The existing Community Centre, Shop and Library together with a community owned pub will form a new and larger village hub. Traditional commercial pub offerings will help fund initiatives that will:

- reduce rural isolation.
- enhance local employment and training.
- support the elderly and carers.
- strengthen community solidarity.
- be proactively inclusive.
- foster other initiatives to meet new needs as they emerge

The experience of the pandemic has reinforced everyone's appreciation of the importance of local, community-based services and has clearly driven even greater support for this project.

The Opportunity

The village has an opportunity to purchase the premises of the Trawden Arms, following notice of the existing owner's intention to sell the pub. Rather than risk new owners developing the pub into residential accommodation, a campaign group came together to:

- engage the community in their needs from a village pub.
- scope activities that a pub can support in the short term and as a path for growth in conjunction with the Trawden Forest Community Centre.
- develop a sustainable business plan and share offer.
- raise funds for the purchase and operation of the premises.
- appoint a tenant and recruit volunteers to operate the Trawden Arms.

Costs and Fundraising

Initial forecast costs of £615,300 are made up of £460,000 to purchase the premises, £50,000 initial working capital, £12,500 of stamp duty, £82,800 of VAT and £10,000 of seed costs associated to pre-purchase activities. Where possible, any start-up costs will be reduced further through volunteer effort, donated materials, and grants/bursaries. Furthermore, the VAT will be funded through a VAT bridging loan and claimed back at the conclusion of the first quarter's trading.

We will raise the necessary funds from the following targets:

- Community share offer – £432,500
- Loans - £50,000 (Plunkett / KeyFund)
- Grants – £50,000 (Plunkett)
- Short term VAT bridging loan - £82,800

Community Ownership Fund

We had some good news in the March budget statement with the announcement of a £150m Community Ownership Fund. Community groups will be able to bid for up to £250,000 matched-funding to help them buy or take over local community assets at risk of being lost, to run as community-owned businesses. However, with the fund opening in June, with the lead times for application, consideration, and release of funds, we are desperately over our time frame for this project. We will, therefore, continue as planned to raise the funds from the community and supplement with the grants/loans we have already identified and applied for.

Long-term sustainability

Our business forecast demonstrates how the Trawden Arms can operate sustainably as a community pub making a surplus from its first year of operation. Surpluses will be reinvested into the Trawden Arms, used to support community initiatives hosted at the pub or other community venues and pay dividends to our investors.

Contents

1. Introduction	5
2. Our Vision: Develop Community Spirit	6
2.1 A new village hub – more than a pub	7
3. Local community’s strength of feeling & support.	9
4. Purchasing the premises & affordability	10
5. Risk management	13
6. The Team, Governance and Staffing	15
7. Our Route to Market: branding, marketing & promotional materials	19
Appendix 1: Results of village-wide survey, Feb/Mar 2021	20
Conclusion	21
Appendix 2. Location & Description of the Premises	22
Appendix 3. The local economy & competitor analysis	23
Appendix 4: Media Communications Policy	27
Appendix 5: SWOT Analysis	28
Appendix 6 - Cash Flow	29

1. Introduction

This Plan explains in full the project of purchasing The Trawden Arms by the community of Trawden and the surrounding area. This is a rare opportunity which is unlikely to present itself again. Success will help develop and enhance a thriving future for the village and community.

The campaign to purchase The Trawden Arms has grown out of strong community feeling that the village needs the amenities of a pub and other events that the premises can support. Campaigning (online and through posters) and a very successful consultation, in which around one-third of the village’s households had their say, made very clear the high level of support for a community pub.

Trawden’s last pub, the Trawden Arms, was in recent history saved by the current owners who have invested significantly in transforming the premises, serving good food and converting the stables into B&B accommodation. Now the current owners wish to move on and there is a risk that future ownership could result in a change of use for the pub to residential accommodation. These are challenging times for the hospitality trade which makes conversion to residential property more likely. However, the residents see the long-term benefit of community ownership and look forward to better times when social activities hosted by the pub can begin again.

The Trawden Forest Community Centre (TFCC) which now encompasses a village shop and library passed into community hands and opened in 2018. It is run entirely by volunteers from the village. This type of project demonstrates there is a strong support for community initiatives which have been sustained over 3 years. Our vision is to associate the pub with TFCC and have a joined-up community strategy where events are co-hosted, ideas and policies harmonised so that the community can realise the full potential of this new community owned asset.

This is an ambitious proposal which encompasses the whole of Trawden as well as neighbouring villages. It joins the heritage of our lively village with current necessary community activities, businesses, and the social well-being of all its inhabitants.

New Study Reveals How Pubs Impact on House Prices

“These findings are important: the decline of pubs is often associated with the vanishing of several other initiatives and activities taking place at a local level, with negative effects on local communities that go far beyond the mere closure of commercial businesses and services. ‘We already knew that pubs in Britain provide important places for social aggregation, offering physical settings for many types of communal activities.’”

“However, findings from our panel data analysis demonstrate that their decline also affect the overall attractiveness of residential areas in terms of economic value, particularly in the countryside. In rural areas, preserving pubs from closure can help keeping house prices stable and may even increase the value of localised house markets.” Ignazio Cabras, Professor of Entrepreneurship and Regional Economic Development and Head of Accounting and Financial Management at Northumbria’s Newcastle Business School

References

- 1) <https://thepropertygroupsite.com/2020/02/25/new-study-reveals-how-pubs-impact-on-house-prices/>
- 2) <https://www.tandfonline.com/doi/full/10.1080/09654313.2020.1726294>

2. Our Vision: Develop Community Spirit

As a Community Benefit Society, we are raising funds to purchase the Trawden Arms, to bring it back into operation as a community pub. We will extend its community reach and inclusiveness by hosting regular events that appeal to a wide range of preferences.

The pub will, where relevant, work with the TFCC to develop joint community events. Together they will act as a focus and provide support for village activities, create employment, reduce rural isolation, and provide much-needed opportunities for social development. A trustee of the TFCC will be appointed as a member of the management committee of the Trawden Forest Community Pub Group (TFCPG) to see this through in practice.

In time, any surplus profits generated will be used to support other local community initiatives or development of the pub as voted for by the members with the intention of establishing a firm percentage share of profits that will be used for community endeavours.

The Trawden Arms will be open from 9am -11pm Monday to Saturday and Noon to 10.30pm on Sundays.

Our pub will host and offer a diversity of services and events that have been selected by the residents during the consultation:

- A traditional, comfortable, welcoming, family friendly village local drinking pub with all the modern extras
- Good quality pub food with a few changing specials
- During daytime, coffees/teas, cakes, and a range of non-alcoholic drinks – quiet areas for remote working and high-speed internet
- Locally sourced foods and use of organic ingredients where possible to support businesses within the community.
- The development of a mutually beneficial supplier strategy with TFCC
- Development of a joint environmental policy with TFCC which will encourage recycling and discourage the use of single use plastic and other environmentally damaging materials
- A range of imaginative and appealing vegetarian/vegan dishes
- Regular live music events
- Joint hosting of the established and very successful local beer festival – see <https://trawdenbeerfestival.co.uk/>
- The sale of pub brewed homebrew (under relevant HMRC licenses) and local craft beers
- Areas of the pub which cater for walkers, families, cyclists, dog owners and horse owners, all of which were strongly suggested in comments in the community consultation.
- Host an archive of images, documents & artefacts relating to the history of Trawden and the surrounding areas.
- In time, we will look to add a mini brewery, site availability and financial plan permitting.

2.1 A new village hub – more than a pub



There are numerous examples of how a new village hub would operate.

- The Friendship group, mostly elderly people, but open to all those who may be lonely, socially isolated, recently bereaved, or returned home from hospital care, would benefit from the pub being able to provide a hearty 2 course meal, in the community centre, once weekly, for 50 to 60 residents. The same group members would be happy to use the pub during the day, in small groups, just to meet and socialise with a cup of coffee.
- TFCC run two craft groups which cater for men and women for a variety of crafts, one of which is almost fully subscribed and has outgrown the library. The pub would provide a perfect alternative meeting place and would also allow members of the group to have lunch together.
- The community centre regularly hosts both public and private events. A facility for the pub to provide catering to these events will be made available to the benefit of both organisations.
- TFCC have a children's party every year, and a Christmas lunch for the elderly (TFCC catered for 72 at Christmas 2019) - we propose to work together on both these events.
- TFCC are regularly asked if they can display the wares of local artists and crafters but they do not have the space to comply. The pub would aim to provide this service. Additionally, the annual TFCC craft fair for local artists is always very well subscribed. The pub will aim to make use of less-busy opening hours by offering smaller, more regular events throughout the year which will drive custom to both the village and the pub and give our local artists the platform that they desire. Commissions on sales from these events range from 20% to 30%.
- The village bowling club have reached out to TFCC who will help with their promotional activities and TFCC have secured funding for an indoor bowling mat in the community centre. The pub will

complement the work of TFCC by providing a venue for social events for the bowling club as well as offering meal-deals during the day for members of the club.

Open Arms: new report shows the positive role publicans can play in tackling loneliness

“Pubs are important social hubs that help to tackle loneliness and social isolation in local communities, a new report, commissioned by The Campaign to End Loneliness in collaboration with Heineken and Loughborough University has reinforced.”

“Among key findings in The Open Arms Report are that 64% of respondents felt that the pub is one of the main places that people living in the local area can socialise. The research, conducted by Loughborough University, also shows that 86% of those surveyed think that when a local pub closes the whole community can suffer, highlighting the key role pubs play in the UK in providing people, from all walks of life, with a space to come together for interaction and connection.”*

References

- 1) <https://www.pubisthehub.org.uk/news/open-arms-new-report-shows-the-positive-role-publicans-can-play-in-tackling-loneliness/>

There are two running clubs (Trawden AC & Barlick Fell Runners) and two cycling club (Pendle Forest & Blazing Saddles) in the local area. We plan to approach the clubs with a view to attracting them to use the Trawden Arms for meeting points on club nights, meeting space for committee meetings and a venue for their social events. They often have 'pub runs' or 'pub rides' scheduled into weekly training nights where the athletes finish at a pub for a drink and maybe a bite to eat. Offering simple “pub grub” for a nominal fee would encourage the clubs to book some space in the pub on a regular basis for post ride/run refreshments and some social time. In addition to these club nights, Trawden AC hold a number of local races in the Trawden area and the Trawden Arms could be a base for race registration and presentation on these events. Two of these attract hundreds of runners, a few others are in-house club events attracting around 50 participants.

Our aim through the above is to deliver continued and renewed social benefit, helping to foster new and existing relationships between individuals within our community.

- We will appoint a tenant to run the pub on a day-to-day business and take up residence in the upstairs living accommodation.
- We will employ volunteers based on their skills, knowledge and, importantly, attitude towards minority and disadvantaged communities and the willingness to develop a local pub that offers a genuine welcome to all sections of our community. The volunteers will support social events and drive business to the pub.
- We will work with the TFCC in volunteer recruitment for events such as the Trawden Show and Trawden Garden Festival, to make these spectacular village events that continue to draw in visitors and trade from neighbouring villages and towns.
- We will employ local trades/craftspeople to carry out necessary works, refurbishment, and future upkeep.

3. Local community's strength of feeling & support.

The Trawden Arms has stopped trading during various periods of the COVID pandemic. Furthermore, it has been up for sale since February 2020 with the current owners wishing to move on. Both events have raised concern within our village that the premises may be changed to a private residence with new owners, thus losing its role as a community and economic asset.

Timeline of events:

- **February 2020** – Pub goes up for sale.
- **March 2020** – Trawden Arms lists as Asset of Community Value (ACV).
- **December 2020** – Notice of disposal sent to Trawden Parish Council.
- **January 2021** – Expression of Interest registered by CAMRA on behalf of residents.
- **January 2021** – Steering Group formed to try and save the pub.
- **February 2021** – Plunkett Foundation agrees to support the project and provide essential business services.
- **March 2021** – Community Benefit Society, Trawden Forest Community Pub Group Limited registered with the FCA.
- **April 2021** – Share offer opens.
- **May 2021** – Share offer closes.

The campaign

This campaign and the idea of establishing a community-run pub was triggered by a notification of disposal made to the parish council following its registration as an Asset of Community Value (ACV). The success of the TFCC provided confidence that Trawden villagers possessed the strength of community spirit to make such a project feasible. The consultation provided further endorsement of the plan.

Offers of skills have been forthcoming free of charge from within the village which has helped form the steering group which has now transformed into the management committee of the Community Benefit Society – Trawden Forest Community Pub Group. We have been assisted by Plunkett Foundation advisors on the range of community services that could be provided, e.g., "[The Pub is the Hub](#)".

The business plan reflects all this diverse input, reflecting the wishes of the community as expressed through engagement through digital channels and through the main consultation.

January 2021

An expression of interest (EOI) was made by local members of CAMRA (Campaign for Real Ale) on behalf of the local community. A small group of people formed and tested the sentiment of villages with a small social media post on a local talk group.

February 2021

A fully formed Steering Group established itself and engaged the support of the Plunkett Foundation and ran a community consultation exercise through digital channels and through paper-based forms available in the local village shop.

March 2021

The steering group with a clear mandate established a legal entity Trawden Forest Community Pub Group

with the Financial Conduct Authority. This business plan was formed, a red book survey of the pub commissioned, and fundraising campaign devised.

April 2021

The fundraising campaign with a mailing list of over 950 residents (over 280 of which have expressed in investing) is now in full swing.

4. Purchasing the premises & affordability

With a freehold purchase, TFPCG Ltd will enjoy the freedom of operating a business on its own terms and in its own style as a community run venture, with the surety that shareholders have equity to fall back on in terms of bricks and mortar.

The asking price for the premises is currently £520,000. Our forecast purchase price of £460,000 reflects the recent valuation provided by MJD Hughes Ltd, who carried out a full commercial survey of the premises on 4th March 2021. Negotiations with the vendors have settled on that valuation as a purchase price which will be subject to a full structural survey to be conducted pre-contract.

Total Costings

Purchase of the premises	£542,800	This is based on a purchase price of £460k plus £82,800 of VAT (charged at 18%). TFPCG will therefore be VAT registered and claim back the VAT. To cover the time gap and to save the community having to raise the funding for VAT, the business will secure a VAT bridging loan which we calculate would cost £1200 per month.
Stamp duty	£12,500	Calculated at 2% of the value between £150k and £250k plus 5% of the value over £250k
Working capital	£50,000	Included to start up operation of the pub and provide adequate reserves in case of additional pandemic lockdown events.
Seed investment	£10,000	Includes costs and expenditure necessary to make the offer and transaction, includes. <ul style="list-style-type: none"> • Marketing and IT costs • Plunkett Membership • FCA Application • Valuation Survey • Structural Survey • Conveyancing/Legal Costs
TOTAL CAPITAL REQUIRED	£615,300	

Financial performance

Our cash flow forecast shows profitability from year 1. This is set out at Appendix 6.

Any negative deviation from this is covered by having £50,000 working capital at the outset.

We explain below how profits will be used to benefit the community.

We have decided not to pay share interest until our third trading year is complete and then only after the Management Committee have agreed that it is affordable and does not jeopardise the financial safety of the business. Interest would be paid at not more than 2% above Bank of England base rate but capped at 5%.

The group hope to divert around 25% of profits towards social enterprises subject to Management Committee approval.

We expect to be able to allow limited withdrawal of shareholdings after our third year of trading. The Management Committee will review the situation during year 3 and will keep investors informed of progress. The Society's rules limit total withdrawals in any one year to 10% of the issued share capital.

Business Valuation

We believe that this is not a normal business valuation situation as it has a unique value as a Community Asset which positions it differently from a purely commercial purchase. In terms of due diligence, we are confident we have researched the realistic value of the pub to a satisfactory level, having the benefit of a full commercial valuation from MJD Hughes Limited, who have extensive experience in community pubs.

Our three-year cash flow projection is at appendix 6. Great care has been taken to ensure accuracy and a cautious approach has been used with all the figures. We have explained below how profits will be used to benefit the community. We are confident that our numbers are both realistic and achievable.

Sources of funds

(1) Shareholders - As a Community Benefit Society we are resolute in the belief that the community should have both a financial and emotional stake in The Trawden Arms.

By offering the opportunity of buying a small stake-holding in the business through single shares costing £50 each (minimum investment of 10 shares), we believe we have made it accessible to a large number of residents. Our community survey found that over 280 people were prepared to invest at least this minimum amount with many more opting for larger financial stakes.

Financial investment will also be open to small businesses as we attract a corporate element to funding as well as individual investment. The ability for local business to invest again demonstrates the inclusive and dynamic approach to fundraising and share ownership.

This financial and subsequent emotional involvement will have the effect of naturally encouraging a sense of ownership, pride and a 'want' to use The Trawden Arms.

The other purpose of the Share Offer is to raise a significant sum of money towards the purchase, and re-launching of the community owned Trawden Arms.

(2) Share Issue - we are planning to launch a share issue in April/May of 2021. The opportunity to buy shares will last for 4-6 weeks. The Directors may extend the offer if they believe doing so may increase the amount of capital that can be raised.

We have set a maximum share target of £532,500 which means we would be able to buy the pub and still have enough money for initial stock and working capital. It would also mean that we would no longer need any loans or grants, although we anticipate a position somewhere between the two. We assume that we will secure £100,000 from the More Than a Pub scheme, other grants and loans and so have set our lower share target at £432,500 to give a minimum total of funds of £532,500.

(3) Marketing the share offer

We have undertaken a range of activities online, taking into consideration the difficulties and restrictions because of the pandemic. This is primarily focused around digital channels on popular social media platforms but also through information being available in the local shop. We anticipate hosting at least one group zoom video meeting so that the steering committee can explain the concepts of share ownership and answer any questions. We have grown our online following considerably since late January and have communicated on a regular basis via newsletter and social media updates.

Marketing will make use of all available channels and our very productive links with the local media. We are approaching prominent local people to act as patrons and others to make significant initial investments to give confidence to others.

If the share offer is less successful than anticipated, bids for grant funding will be adjusted accordingly. If that is insufficient and the loan amount needs to be increased, then a larger loan will be taken out over a longer period to offset an increase in monthly costs.

If the share offer is more successful than forecasted above, grant requests may be moderated to avoid over-capitalisation with the focus on reducing the amount of loan required. However, while bearing in mind that repairs and improvements to the property may not necessarily translate to an increase in its value, it may, none the less, be to the advantage of shareholders if the society utilises any initial surplus to bring forward any refurbishment/maintenance that maybe forecast in the early years of operation. This will make it easier to create a surplus from which interest payments may be paid after 3 years. The actual amount raised above target will determine the best way to proceed. If the share offer is oversubscribed beyond this, the management committee will close the share offer early to prevent severe over capitalisation.

If at any point after the closure of the share issue the management committee have serious concerns about the amount of money raised and consequently the eventual success of the project, a meeting of shareholders will be convened to gain approval of a way forward. It will be the responsibility of the management committee to propose options, including that the project be abandoned but also the possibility of loans from existing members which may attract Social Investment Tax Relief (SITR). The full position relating to available income to buy and operate the business should be clear by late May 2021.

(4) Start-up Grant – We have secured a bursary from the Plunkett Foundation of £2,500 to offset some of our initial start-up costs, principally the cost of a full commercial market valuation survey, our application for the Community Shares Standard Mark scheme, FCA application costs and initial campaigning costs.

(5) Grants – We are also seeking grants of £50,000 from the Plunkett Foundation which is contingent on taking out a loan at the same time of up to £50,000. The bid to the Plunkett Foundation is being submitted in March 2021 and if successful will reduce our target for fundraising from the share offer.

Once the Trawden Arms is purchased, if necessary, we will also seek further grants to support further development of the property in line with the members wishes. We aim to bid to the Prince's Countryside Fund and Pub is the Hub and the County Council Community Infrastructure Levy fund.

Examples of sources of grants:

- The Key Fund: <https://thekeyfund.co.uk/>
- The Big Lottery Fund: www.lotterygoodcauses.org.uk

(6) In kind donations: materials and time from volunteers, professional and trade services. These 'donations' can be used when calculating 'match funding' to obtain future grants.

Profitability Objectives

Through prudent financial management and attention to detail we intend to run a business that generates profits for the business and the community. Interest may be paid to investors in accordance with model rules adopted from The Plunkett Foundation Guidelines. In addition, we aim to divert a percentage of profits to be invested in other local community ventures in association with local groups such as the TFCC, Colne Noyna Rotary Club etc. The £50,000 Plunkett loan will be paid back in the first three years of trading.

5. Risk management

Key risks and mitigation

We have identified the following key risks and mitigating actions.

- The owner refuses to sell at an affordable price or insists on high impediments when purchasing the freehold. In this event all shareholder funds would be returned to the investors and grant money returned to the original sources
- Insufficient funding. The purchase is dependent on sufficient monies being raised by the share issue and grant applications. In this case we would have to persuade the current owner to give further time to raise additional funds to realise the purchase.
- Unable to appoint a suitable tenant or tenant leaves suddenly. The management committee will look for a suitable manager and volunteers from the management committee / members while a tenant is secured. If for example the tenant were not able to secure a chef or lose one it would not be possible to offer food services until a replacement was found. A member of the Management Committee (Joe Lacey) currently holds an Alcohol License and will take up a Designated Premises Licence following the transaction.
- Inadequate trading performance. The pub may not generate sufficient sales and profits to cover operating expenses, pay shareholder interest and develop the business. By diligent measurement of KPIs we believe we can spot inadequate performance quickly and implement

plans and actions to correct any negative trends. We will actively encourage customer feedback forums such as TripAdvisor.

- The Trawden Arms becomes so successful that we are required to invest more management/staff time than is initially envisaged. This will be a welcome challenge. By its very nature it would mean we are generating sufficient profits to invest in further human resources.
- The effects of the current COVID-19 virus restrictions. We do not foresee the Trawden Arms reopening until mid-2021 at the earliest, thus we should avoid the worst of the effects of any local and nationwide restrictions. We cannot foresee any future pandemic events hence the management committee look to reserve a significant emergency fund to counter any such eventuality or seek a bespoke insurance policy to cover the same.
- We will build on the 'volunteering spirit' and distinct shift of purchasing habits towards local businesses amongst the population of Trawden Arms and the surrounding villages.
- If the relationship with the tenant deteriorates, we will attempt to resolve them before escalating to a full management committee hearing with the tenant. If a suitable resolution cannot be found, notice will be served which will be backed up escalation clauses in the tenancy agreement.

Mitigating Risks

The areas where the project is most likely to run into difficulty will be best addressed by the adoption of **SMARTER** objective management:

Specific: It will be paramount to address specific issues as they arise. An example of this will be to address the hiring of a tenant once the pub is purchased.

Measurable: We can only keep the ship on the correct course by measuring performance. Adoption of financial accounting policies agreed KPI's, Gross Profit Margins, and customer satisfaction ratings will allow us to see where the business is heading.

Agreed Action: From our regular measurements, agreed actions can be implemented with the tenant and any volunteer staff to ensure continuously improved performance.

Realistic: Whilst the Management Committee is enthusiastic and passionate, we must always keep our feet on the ground. We believe our mix of management skills, experience and knowledge provides us with an excellent balance to maintain a realistic approach to running the business and dealing with the tenant.

Timebound: All planned actions will have start and end dates with milestone measurement points to check progress throughout the process. To this end we have developed a Project Plan.

Ethical: The behaviour, culture, and operational practices will always comply with The Plunkett Foundation model rules and code of practice. We will also be governed by FCA regulations. We will also agree and adopt a set of Core Values which will underpin the business.

Recorded: By using sound financial practices and computer systems we will be able to review what has happened and why. All meetings will be minuted and digitally stored.

See also our SWOT Analysis for the Trawden Arms in [Appendix 5](#).

6. The Team, Governance and Staffing

Trawden Forest Community Pub Group Ltd. operates in accordance with The Plunkett Foundation model rules and code of conduct. We are members of The Plunkett Foundation and we have confirmation of the registration of Trawden Forest Community Pub Group Ltd. with the FCA as a Community Benefit Society, sponsored by The Plunkett Foundation.

Management Team

We have a highly motivated and experienced management team. We are using The Pub Is the Hub and The Plunkett Foundation as our main sources of external support. Both these organisations have been invaluable. We have also received tremendous help from the Management Team of TFCC and we have had experienced consultants and previous hospitality managers advise us during this process.

- **Chair – Dave Webber**

Dave has lived in Trawden for 9 years and before that, the neighbouring hamlet of Catlow for 7 years. He has spent his career in the data industry with various information companies, working to bring large multinational companies together to form unique cooperatives for mutual gain. In the Steering Group, Dave assumes responsibility of Chairman and specifically project managing the process. He lives in Alderhurst with wife Joanne and 3 (grown up) boys and likes walking, cycling and making his own beer.

- **Vice Chair – Glenn Dunleavy**

Glenn has lived in the village for 15 years and runs, Trawden-based, Innova Solutions Ltd. He is the founder and Chair of The Trawden Beer & Music Festival. His wife, Jane, is a volunteer at The Trawden Forest Community Shop and both of their children have or are attending Trawden Forest Primary School.

- **Treasurer – Peter Catlow**

Peter was born in Nelson (on Morrison's Car Park) and has lived and worked all over the UK for more than 20 years, as a result of his involvement in the automotive industry, happily coming home to Laneshawbridge in 1998. He is a member of Colne Noyna Rotary Club and helped Glenn to set up and run the Trawden Beer and Music Festival. He is a Director of Nelson based Energy Management Consultancy, Businesswise Solutions and has known Martyn Whitaker for 40 years. Peter is a Member of the Chartered Institute of Management Accountants. Qualified Accountant (ICAEW), local businessman and Borough Councillor for a neighbouring ward.

- **Secretary – Joe Lacey**

Joe has spent all his life living in Trawden before moving to Colne 3 years ago. He has worked at and managed several local hospitality venues over the years before pursuing a career with Trawden based Innova Solutions Ltd. In the steering Group, Joe adds a wealth of hospitality knowledge and a real passion for supporting local and keeping the village pub alive.

- **Communications Officer – Molly Ralphson**

Molly lived in Trawden throughout her childhood and has been living back in the village for around 6 years. She is a fundraiser and events organiser at Sue Ryder Manorlands Hospice and is responsible for the social media for the Steering Group. She is a keen fell runner, cyclist and adventure racer and feels lucky to live in such a beautiful part of the world with husband Dean. They enjoy welcoming visitors to their small B&B in Trawden. Their 2 children are now young adults, Sally is finishing her Masters degree and Patrick is a budding musician. Molly is also the organiser of the annual Pendle Running Festival which takes place in Barley each July.

- **TFCC Liaison – Steve Wilcock**

Steve retired after a career in accountancy. Steve has lived in Trawden most of his life and for the last 7 years has been Chair of Trustees of the village community centre, library and shop. Steve is married with 2 children and 5 grandchildren and is passionate about community spirit. He has been a regular user of the village pub for the past 50 years.,

- **Member – Michael Horne**

Mick was brought up in Colne and attended Park High School and Nelson & Colne College before heading south to study at university. He has worked in IT for the majority of his career, specialising in data and analytics. In 2001 he moved back to the area and has lived in Trawden for 20 years. His role on the Steering Group is to look after the web site and to help analyse and present the results of the survey as an input into the business plan.

- **Member – Jack Holland**

Jack is a complete newbie to the village, he has lived in Hollin Hall for 10 weeks! Jack's day job is the UK General Manager for a tech start up. He runs the operations and growth of the business. He will be leading on writing funding bids. He is a keen runner and cyclist and is currently training for an Ultra-Duathlon.

- **Member – Nicola Sharples**

Nicola has lived in Pendle most of her life and for the last 28 years Nicola has run Ashworth Jewellers in Barrowford, a family run business. She is a big advocate of keeping things local and passionate about keeping local pubs. Nicola has lived in Winewall for 7 years with her husband Paul and has three grown up daughters. She loves walking with her family and their beagle Snoop and adventures in their camper van.

The Volunteer Team

Within the numerous Campaign supporters there are professionals such as electricians, plumbers, builders, decorators, accountants and many others who have pledged their support. We carry out specific recruitment to fill skills gaps in the volunteer team.

Organisation and Governance

Fit for purpose:

- By adopting the model rules of The Plunkett Foundation, we are confident that Trawden Forest Community Pub Group Ltd. will be fit for purpose.
- The Management Committee will identify and communicate to members and shareholders any significant rule changes and ensure they are consistent with the purpose of the society and a

community shareholding.

Organisational Structure:

- The Management Committee will operate in accordance with the model rules of The Plunkett Foundation.
- There will be monthly committee meetings and management reviews with our tenant.
- Regular communication to members will be made.
- No investment will be made in a subsidiary enterprise by the Management Committee in a way that would compromise the terms of the share capital.

Members of the Community Benefit Society

Our strategies for engaging members in the society:

- An annual General Meeting of the Society will be held to communicate the performance of the society.
- Any member of the Management Committee can stand down from the Committee at any point.
- At the shareholders meeting of the AGM, the Management Committee must stand for re-election to the committee (except in the case of start-up procedures).
- The sub-committee members will be expected to operate in the same way, including in relation to the start-up procedures.
- From time to time the Management Committee may co-opt any appropriate person to the Committee to fill two spare committee positions or to join the sub-committees.
- We want to ensure new ideas and enthusiasm are brought into Trawden Forest Community Pub Group Ltd.

Staffing

Initially we see the Trawden Arms run by an appointed tenant who will take up residence in the upstairs accommodation. The tenant will be responsible for appointing staff, but it is our intention to retain existing staff where possible. In addition, a volunteer force will help support any social group events that are conducted in the pub. Volunteers will work alongside experienced part-time paid staff. We will not expect volunteers to provide food.

We will use the volunteer policies and systems in place at the successful TFCC.

The Tenant's role will be to run the business effectively and efficiently with responsibility for all day-to-day operations including:

- Managing the business aspects of the bar, such as keeping a current license, negotiating supplier contracts, taking inventory, and reordering supplies, managing budgets, and setting goals
- Managing and running the B&B
- Hiring and training staff to provide excellent service to customers.
- Carrying out effective inductions for staff/volunteers
- Creating effective schedules and quickly resolving conflicts to ensure that bar is well staffed/volunteered during peak hours
- Setting and enforcing quality and safety controls

- Ensuring licenses are updated and in line with current legislation
- Working with diverse personalities of both staff and patrons
- Planning and taking part in promotional events
- Maintaining a fun, safe atmosphere
- Hiring and retaining a qualified chef who will work to our appropriate standards and values
- Hiring and retaining bar-staff, waiters and cleaning staff as required
- Stock Control and Purchases
- Sales
- Repairs and maintenance; using agreed tradespeople
- Conducting Customer Satisfaction surveys
- Marketing the Trawden Arms
- Monthly Meetings with Management Committee to review performance against agreed Key Performance Indicators
- Agree actions with Management Committee

In time, we envisage staffing to be volunteers from the outset to support paid staff employed by the tenant.

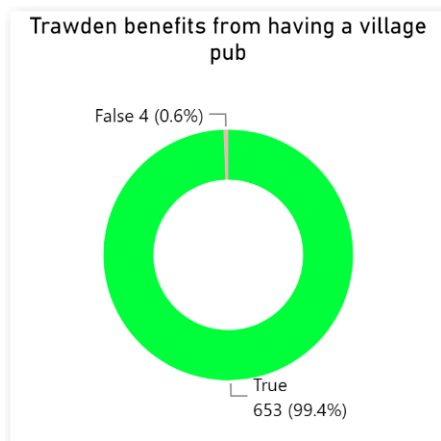
7. Our Route to Market: branding, marketing & promotional materials

- We have developed a robust Media Communications Policy ([Appendix 4](#)) that has yielded significant and sustained coverage in local media – print, radio and online.
- Our logo and those of our funders will be used in all documents and publicity.
- Our Website will be updated as required.
- Facebook and Twitter sites will continue to be used as important community communication tools. We have a highly engaged audience of Facebook followers and newsletter subscribers. These audiences continue to grow. Once we have purchased the pub, we will re-evaluate and optimise marketing and communications.
- Our Share Prospectus is written and we have begun to invite informal expressions of interest ahead of the launch of the offer.

Appendix 1: Results of village-wide survey, Feb/Mar 2021

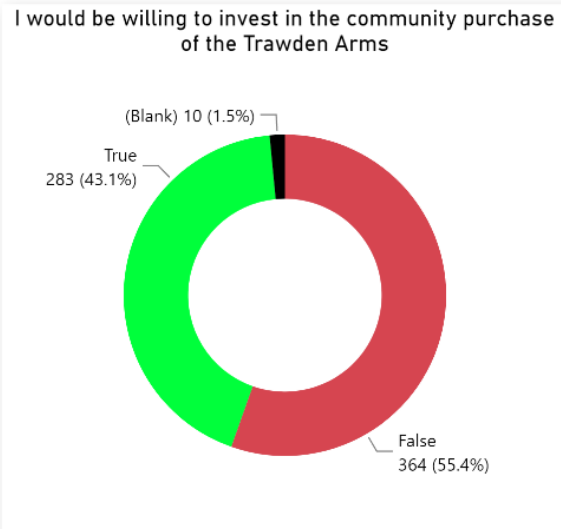
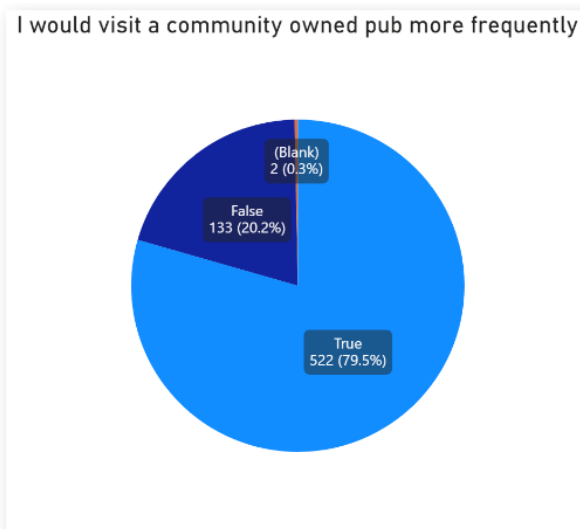
During the four weeks of February 2021, a community survey was available for use containing a set of questions aimed at:

- Helping us to gain an understanding of the engagement in the local community for this project and the willingness of people to invest.
- Obtaining a set of opinions from across the community on type of pub potential customers would like to see and how much that differed from that offered by the current owners. Any differential would feed directly into the business plan as an opportunity for growth.



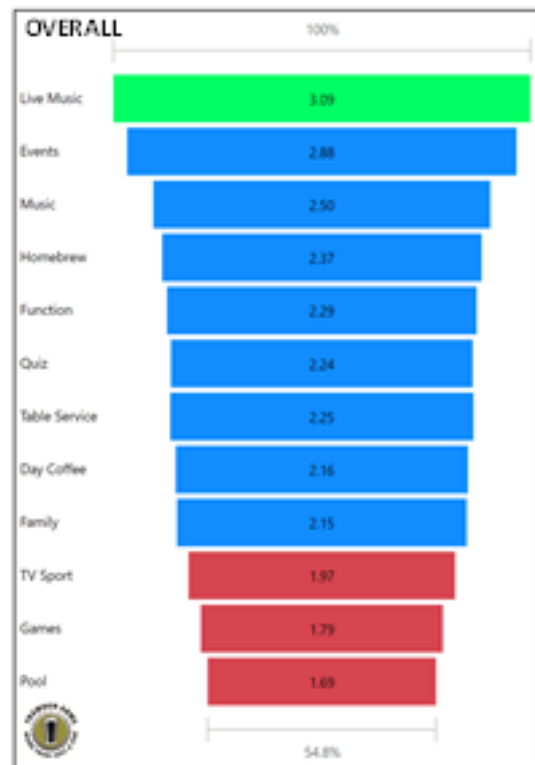
The survey was available online and in paper-based form with questionnaires available for collection and drop-off at the local community centre. Responses were overwhelmingly (98.6%) online.

When the online survey closed on 28th February 2021, we had received 676 responses 99.3% of respondents thought that the village benefits from having a local pub and of which 284 (43.1%) respondents signalled an interest in investing in the community purchase of the pub. Almost 80% of respondents said they would be more inclined to visit the pub if it was community owned.



- The survey presented respondents with a series of features or events which could be hosted at the pub. Respondents were asked to score each in a range of 0 to 4. A score of 2 would mean they would be no more or less likely to visit the pub; trending towards zero would indicate less likelihood of the respondent visiting and trending towards 4 would make the respondent more likely to visit.

- Overall results can be seen in the chart opposite. These are the scores averaged out across all respondents with averages scoring above 3 in green, and below 2 in red. There was strong support for live music events, with a favourable view of all-day café, table service, homebrew/craft beer with the Trawden Arms being more than a pub but also a safe environment within which to meet and socialise both as individuals, families and for groups and societies. It is clear from the results that patrons do not want the pub to develop a “town centre” feel with the introduction of pub sports and televisions in the bar.



- As a community pub, the Trawden Arms should support services offered by other organisations in the village and host community and club meetings.

Conclusion

This survey has been incredibly useful to the Steering Group in providing a mandate for the community purchase of the Trawden Arms, in providing assurances that there is scope for growth in terms of pub trade and in the formulation of this business plan. If we are successful, it will also provide an excellent source of reference for a new tenant.

The key takeaways can be summarised as follows:

- There is strong support in the local area for community ownership of the pub
- People will visit the pub more frequently if it is community owned
- There is a strong indication that there is sufficient support within the community to meet our investment targets
- There is more we can do to publicise this initiative to the over 65’s in the local area which may generate further interest in investing
- Local people would like a pub that serves the community in a number of different ways – more than simply a drinking pub or an eatery
- There are several opportunities identified whereby these needs could be met whilst growing existing trade

Appendix 2. Location & Description of the Premises

Location

The Trawden Arms is in the village of Trawden which lies approximately 2 miles southeast of Colne and 6 miles northeast of Burnley.

It is centrally positioned opposite the local community shop, library, and community centre.

The village is also close to several local circular walks and bridleways which connect Trawden to nearby villages and the outstanding Bouldsworth Hill.

Located in the district of Pendle within the region of the Pennines. The Trawden Arms benefits from several nearby rural attractions. While within the village, there are also many holiday accommodations.

Description of the premises

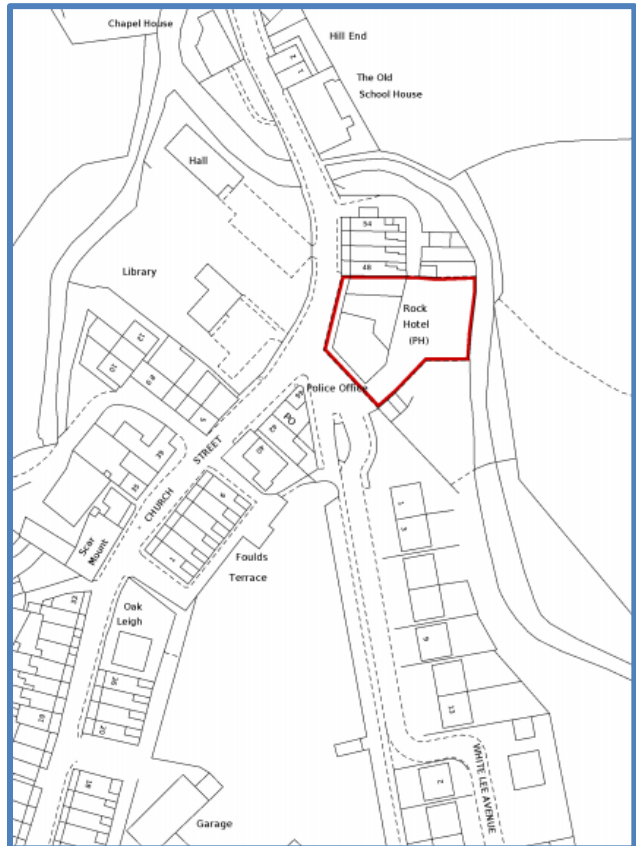
A two-storey detached property, with stone elevations beneath pitched slate roof and single storey flat roof addition to the rear. In addition, there is a detached outbuilding, which has been converted to letting accommodation and this has stone elevations beneath a pitched slate roof. To the rear is a surfaced and line car park for circa 7 spaces. There is a cobbled beer patio, which is furnished with timber picnic tables. Smoking shelter to the rear, together with an enclosed yard. The Trawden Arms (originally Rock Hotel) was built in 1895 on the site of a corn mill which had stood there since the 16th century. The pub is in the village's extensive conservation area and remains an important unlisted building.

Internally:

Ground Floor - Mostly open plan trading area, with a dining room to the left-hand side which has a carpeted floor and timber panelling to the walls. There is a feature fireplace, and the room is furnished with timber tables and upholstered chairs providing circa 20 covers. The rest of the ground floor trading area has a mixed tiled, timber, and carpeted floor and is furnished with timber tables and chairs. There is a feature fireplace and further dining room to the right-hand side, which has circa 12 covers. The servery has a timber fascia and top. Ladies, gents, and disabled customer toilets. Catering kitchen to the rear, with a range of stainless-steel catering equipment and an Altro floor.

First Floor - Private living accommodation comprising 4 double bedrooms (2 with en-suite showers), a large open plan kitchen/diner and living room, family bathroom, laundry room and office.

Basement - Beer cellar and 3 storerooms



Standalone Letting Accommodation

Old Joinery - There are 4 letting bedrooms, 2 at ground floor and 2 at first floor (3 with en-suite showers, 1 with en-suite bath & walk in shower)

The roof, walls and windows all appear to be structurally sound.

Services:

We are informed that the premises benefit from all mains services as well as gas central heating, a burglar alarm system, CCTV and air conditioning.

Appendix 3. The local economy & competitor analysis

(from the Trawden Forest Neighbourhood Plan – full details available here - https://www.pendle.gov.uk/downloads/file/10303/trawden_forest_neighbourhood_plan_final_version)

Geography

1.3.6 The parish of Trawden Forest consists of three ‘villages’: Trawden, Winewall (with Cotton Tree), and Wycoller. But it is usual for local people to simply refer to ‘Trawden’ when they actually mean the whole parish of Trawden Forest.

1.3.7 Trawden Forest lies in the Borough of Pendle located in the North West of England. The Borough of Pendle is one of 12 district councils in the county of Lancashire.

1.3.8 Within the Borough of Pendle, the parish of Trawden Forest shares its borders with the town of Nelson to the west, the town of Colne to the North West and the parish of Laneshawbridge to the north. Also to the west, the parish shares a border with the Briercliffe parish of Burnley. To the south lies the parish of Wadsworth (in the district of Calderdale). To the east lie the town of Keighley and parish of Haworth, Cross Roads and Stanbury (both part of the City of Bradford). Both Calderdale and Bradford are part of the county of West Yorkshire.

1.3.10 Trawden Forest parish covers 25.3 square kilometres and at the 2011 census had a population of 2,765, giving it a population density of 109 persons per square kilometre. This is considerably lower than the density for the Borough of Pendle as a whole (528 persons per square kilometre) and illustrates the rural nature of most of the parish.

1.3.11 The population is concentrated in a ribbon settlement along the principal road of the parish (the B6250) extending approximately 2.5 km from the boundary with Colne, through Cotton Tree and on to St Mary’s Church.

1.3.12 There is a side ‘spur’ of development at Cotton Tree, which runs up Winewall and on to Lane Top, Well Head, and New Row. These together form one of the three ‘villages’ or settlements in Trawden Forest, referred to in the TFNP as Winewall (including Cotton Tree). The focal point is The Cotton Tree Inn with the adjacent Ball Grove Playground and Park.

1.3.13 The ‘village’ of Trawden radiates out from St Mary’s Church, the four roads being: Burnley Road, Church Street, Colne Road and Lane House Lane (through to Hollin Hall). Burnley Road runs immediately

out into open countryside, and the village has built up around the other three roads. The focal point of the village is the junction of Church Street and the Tram Tracks (a cobbled lane running behind Church Street) where the Community Centre and the other village pub, The Trawden Arms, are located.

1.3.14 The third 'village' is the hamlet of Wycoller which lies 3 km to the east of Winewall.

1.3.15 The eastern two thirds of the parish is open countryside and moorland with a scattering of hill farms. The dominant feature is Boulsworth Hill, the highest point in the South Pennines of south-eastern Lancashire, which is designated as a Site of Special Scientific Interest (SSSI), a Special Area of Conservation (SAC) and a Special Protection Area (SPA).

Population

(see https://www.citypopulation.de/en/uk/northwestengland/lancashire/E35001037__trawden/)

1.3.16 The age structure of the population of Trawden Forest differs significantly from that for Pendle, the North West and England as a whole, all of which have similar averages. Trawden Forest has fewer younger people and fewer people of pensionable age. The parish has a tendency towards a 'middle-aged' population: 54% of the population is aged 35-69 while the comparative figure for Pendle and for England as a whole for this age group is 44%.

1.3.17 The ethnic mix of the population differs even more significantly from the borough and national averages. In 2011 the majority ethnic group was White (98.4%), substantially higher than the comparative figures for Pendle (79.9%) and England (85.4%).

1.3.18 The Pendle Local Plan includes an estimate that the population of Pendle will increase 4.4% within the plan period (2030) but no separate figure is available for the parish

Housing and Households

1.3.19 In 2011 Trawden Forest had 1174 household spaces. If the borough-wide estimated increase is applied to this number it would increase by 51 households to 1225 by the end of the Plan Period (2030).

1.3.29 The Borough of Pendle also has a high level of deprivation: in 2010 it was in the top 12% of most deprived local authorities in England. Deprivation is measured in four ways: unemployment, lack of educational qualifications, health and disability, and housing. Levels of deprivation are higher in other parts of the borough: 46% of households in Trawden Forest had (in 2011) at least one measure of deprivation, significantly lower than Pendle (63%) and England as a whole (56%). The parish also compares well when multiple measures of deprivation are compared: Trawden Forest 18% compared with Pendle (31%) and England (24%).

1.3.30 Similarly with health statistics. Trawden Forest residents are on average healthier than those in other parts of the borough, and slightly more so than the national average. Estimates of the percentages of the population in bad or very bad health are: Trawden Forest 5%, Pendle 7% and England 5.5%.

Economic Activity

1.3.31 Trawden Forest has an above average number of people who are economically active (75% of those people aged 16-74). The comparative figure for Pendle is 66% and for England 70%.

1.3.32 In 2013, the unemployment rate was 3.1% compared to 7% for Pendle and 6.3% nationally. (These are the percentages of people in the 16-74 age group who are in or looking for employment.)

1.3.33 Trawden Forest has higher levels of both employment and self-employment than the borough and national averages. This is probably partially a consequence of the weighting of the age structure of the parish to the 34-69 age group. See figure 4.

1.3.34 Trawden Forest has been described as a dormitory parish, in that the majority of the economically active population leave the parish to work in neighbouring towns.

1.3.35 The Pendle Companies Register for 2016/17 lists only eight businesses within the parish, none of which employs more than 50 people.

1.3.36 It is estimated that there are fewer than 150 jobs in these eight companies, in a parish which has more than 1500 economically active residents. However this figure does not take into account the self-employed and those who work from home and have not registered as a company. But it does illustrate that Trawden Forest is typically a place that people return to after a day's work elsewhere.

Tourism

1.3.45 There is a small but increasing tourist industry in the Parish. East Lancashire has few tourist locations and Trawden Forest is popular with ramblers and others who appreciate its wide open spaces.

1.3.46 Wycoller Country Park is a popular tourist destination. In addition there are a number of locally organised events such as the annual Beer Festival, the Village Show, the Garden Festival and the Arts Trail, which attract visitors from outside the parish, who are drawn to the friendly and welcoming village atmosphere.

5. Competitor Analysis

Currently the nearest hostelries are:

Public Houses

Cotton Tree Inn, Cotton Tree, 1 miles

The Emmott Arms, Laneshawbridge, 1.5 miles

Selected pubs in Colne ...

The Wallace Hartley, Colne, 2.5 miles

The Morris Dancers, Colne

The Admiral Lord Rodney, Colne

Community Owned Pubs

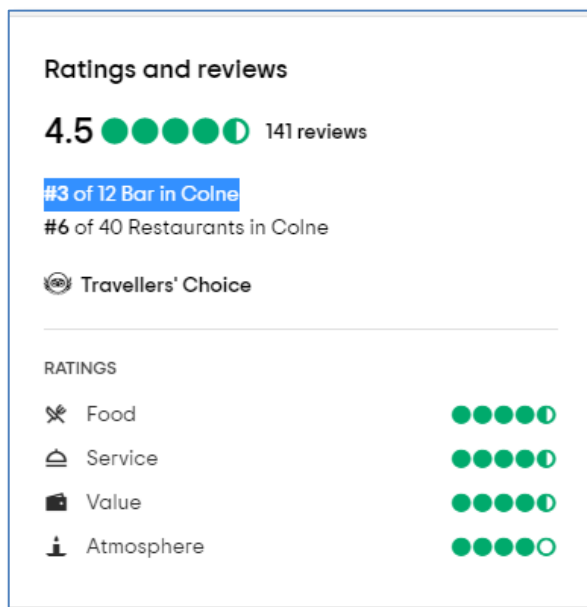
None

Hotels

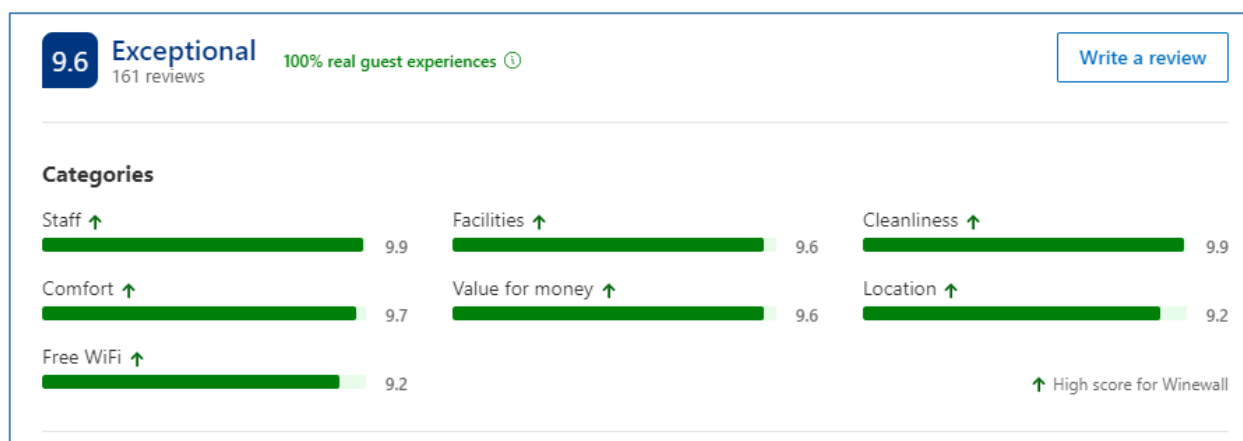
Old Stone Trough, Kelbrook, 4.2 miles

We take the approach that we are 'growing the cake' rather than competing for a share of an existing one. We strongly believe this is achievable because of our unique offer.

Public Houses: There are numerous pubs within Colne and neighbouring towns that provide competition to the Trawden Arms and many of them provide food as well as drinks. The distinction the Trawden Arms has over competition is its locality where many, if not all residents are able to walk to the establishment rather than drive to it. Providing that the pub continues to serve good food and an exciting entertainment schedule, the management committee believe it will sustain and grow its existing patronage. The current ratings on Trip Advisor are detailed below and show that the Trawden Arms is in the top 25% of bars and top 15% of restaurants in Colne.



Hotels: The B&B accommodation at the Trawden Arms is fairly new but has fantastic reviews (see below). The intention would be the maintain the standard of accommodation currently provided in order to stay ahead of any competition.



Appendix 4: Media Communications Policy

1. Statement of purpose

This communications strategy shows how effective media communications can:

- help us achieve our overall organisational objectives
- engage effectively with stakeholders
- demonstrate the success of our work
- ensure people understand what we do
- change behaviour and perceptions where necessary.

2. Our current situation

The Trawden Arms Campaign Group have an excellent track record of working with Mainstream and Social Media. We have developed a messaging framework for the current phase of the campaign that will be reviewed at key points of the evolution of the project.

We have a positive story to tell but it is vital, for the success of the venture, that these relationships are maintained, strengthened, and revisited and updated on a regular basis.

To this end one member of our Management Committee is responsible for overseeing our communications.

4. Communications Officer role:

- Prepare Press Releases and clear with the Campaign Chair
- Ensure necessary reports to funders are completed on time
- Update Media contact list
- Writing a monthly perky column about the Campaign for the Village newsletters
- To advertise the Campaign's programme of events each month in the Village newsletters
- Maintain presence of local Facebook and Twitter accounts
- Keep Richard Bristow info@trawdenarmsmorethanapub.com updated on significant developments to enable update of www.trawdenarmsmorethanapub.com
- To be the media spokesperson for the Campaign Group
- Write a short monthly update to Trawden Parish Council
- Update our email data/newsletter base
- Send regular updates to those on our email list

Appendix 5: SWOT Analysis

Strengths:

- The main strength we have is that we will be a community-owned pub
- The pub will be the only pub in the village that once had several
- Whilst we recognise this does not guarantee success it leverages the very real desire by the local community to use a local pub that will benefit its own community by being part of a central hub for numerous activities.
- A strong management team: experienced in the hospitality trade & leading community initiatives
- Experienced communicators
- Good financial controls
- There is an identified need
- There is identified support

Weaknesses

- We will need to recruit a new tenant
- The layout of the building has some restrictions as to how we can utilise space for its full potential
- The internal space is limited for events
- There is limited passing pedestrian and road traffic

Opportunities:

- The local community has demonstrated real enthusiasm for The Trawden Arms to open under community leadership.
- A growing emailing list (950 individuals¹) that is highly engaged. Newsletters achieve very high open rates (greater than 60%) and high click-through rates (greater than 20%)
- Become a 'Destination Pub' for different clubs and associations.
- Run a café / tearoom as part of the pub business. This would be open during the day selling quality coffee, tea, and home-made cakes.
- Harness the large group of volunteers who have put their names forward to help with social and community ventures in association with the TFCC

Threats:

- Opposition from other local pub businesses.
- Opposition from neighbours on the grounds of noise/traffic/light pollution
- Being seen as competition by the 'The Rock Cafe', Trawden
- Economic fluctuations in disposable income.
- Reduction in enthusiasm for the project as time elapses
- Burn out of leading activists/volunteers
- Becoming comfortable in what we are doing and not striving for excellence.
- Staffing challenges.

1

Appendix 6 - Cash Flow

		Start up	Year 1	Year 2	Year 3
INCOME					
Tenancy Fee			25,000	25,000	25,000
Share Issue		432,500			
Plunkett Grant		50,000			
Plunkett Loan		50,000			
TOTAL INCOME		532,500	25,000	25,000	25,000
EXPENDITURE					
Property cost		460,000			
Stamp duty		12,500			
Acquisition costs		10,000			
Property maintenance fund	10%		2,500	2,500	2,500
Plunkett Loan Repayment			21,000	19,640	17,280
Legal and professional			1,000	1,000	1,000
TOTAL EXPENDITURE		482,500	24,500	23,140	20,780
TOTAL PROFIT			500	1,860	4,220
Opening bank balance			50,000	50,500	52,360
Closing bank balance		50,000	50,500	52,360	56,580

Notes

- 1) VAT calculations have been excluded from the above figures for simplicity. VAT will have a neutral affect on the calculation and any interest from the VAT bridging loan will be largely offset by being able to claim VAT back on the acquisition costs.
- 2) The Punkett loan will be paid back over 3 years, the loan term allows the capital to be repaid between 1 and 7 years. Therefore, from year 4, profit will be c. £20k per annum once the loan is repaid in full.