

‘What is a community owned pub?’

an introduction for prospective tenants



Community pubs are owned by Members (sometimes known as shareholders) and are run democratically on the basis of one-member-one-vote. Membership is voluntary, affordable, and open to all in a community, and is the mechanism for ensuring the community has a genuine say in how the business is run. Member control and input ensures the pub business is continually adapting and serving the needs of its members and wider community. At the end of 2019 there were 119 community owned pubs across the UK.

The majority of community pubs are incorporated as Community Benefit Societies although they may also use Co-operative Society or Company legal form. It is common for community pubs to raise the capital to purchase the building from their Members. Although the Society or Company is owned by many members of the community, the day to day business of the community group is managed by an elected Management Committee or Board of Directors. They will negotiate the agreement with you as a tenant to operate the business within a framework set by the community.

While the Society owns the building, it is up to you as the tenant to run it as a successful pub. The aim of the tenancy is to create a relationship that enables you to run a successful pub business while reflecting the needs and desires of the community. To monitor how well the relationship is working, community pub tenants regularly meet with either a nominated officer or sub-committee of the Management Committee - at least quarterly, but usually monthly or weekly.

Example - Ye Olde Cross, Old Ryton village, Tyne Valley - Tenant Abigail Bennett works with the Society’s management committee on their joint vision of what a brilliant community pub should be. Very much intended as a centre for the local community with events and local activities, these include (pre-COVID): weekly quiz nights and street food pop-ups, regular open mic nights, monthly vegan street food market, book club, wool/yarn group, business networking, and dominoes.

The tenant has a weekly catch up with a Director of Ryton Cross Community Society Limited. Once a quarter, a joint meeting reviews cashflow and management reports.

Ted Euers, Director of Ryton Cross Community Society Limited which owns Ye Olde Cross provides sage advice: **“Unless you buy into the concept and collaborative working, and understand it’s not going to be a normal tenancy, don’t apply for a community pub tenancy”**

Every community pub is different but what they all share is that they are community owned and will focus in some way on meeting community needs. A community pub is More Than A Pub and you should expect to work in partnership with the community. Good partnership working can unleash hidden potential for both the community and you as the tenants.

Example – The Red Lion, Northmoor, Oxfordshire: Lisa Neale is tenant at community owned pub The Red Lion in Northmoor, Oxfordshire and speaks of having to balance the needs of the community with running a sustainable business. **“From the beginning it was clear we would have freedom to run the pub without interference, but that takes trust. As a tenant you will hear a lot of suggestions and opinions about how to improve the pub. We take ideas on board and test things out, especially when it comes to involving the village, but it is our business to run so we need to decide what we sell, and what goes on our menus. New ideas have to fit with the business plan we provided when we were recruited. This avoids the risk of blurring the business strategy and the pub failing. The tenancy agreement is really important.”**

As the tenant of a community pub, you should expect to meet regularly with the community group who own the building. After 7 years as a community pub tenant, Lisa puts the success down to good communication. **“Communication is key to maintaining a good relationship with the Management Committee. We have regular weekly or monthly meetings with the Management Committee and we keep them updated with our financial performance. We also meet with the shareholder Members of the community pub group once a year. Agreeing clear ways to communicate with the pub group is really important.”**

Lisa also adds **“The recruitment process was a good opportunity for us to understand if we were a good fit for each other. The pub group even came to see us at work at our previous pub. We had to make clear our vision for the pub and get our business plan agreed with the community group.”**

Graham Shelton, Director of the Community Company that owns the Red Lion says the additional work has its rewards: **“Whilst we want our tenant to run the business without interference, we are also there to help them in times of difficulty, such as the recent pandemic”.**

In the majority of cases, community pubs are more than just a place to eat and drink: they provide a wide range of additional services such as shops, post offices, cafés; they become a hive of community and voluntary activity providing space for clubs and societies; they enrich the local cultural scene by promoting live music, performances and events, the arts, and traditional pub sports; they actively promote inclusion and look out for those most vulnerable in society; and they play an active role in addressing isolation and loneliness through the creation of employment and volunteering opportunities. This is what makes a community pub different, and as a tenant you will need to get involved. This community focus combined with the loyalty generated by a vested interest in success from the Members can generate a commercial advantage for community pubs.





Any desires or requirements for the community pub should be made clear to you in a community pub profile before you apply for the tenancy, during agreement of Heads of Terms and in the final lease or tenancy agreement. Some of this detail may be set out in a “side letter” document attached to the agreement.



Example: The Green Dragon at Exelby near Bedale provides a great example of the wide range of activities that the tenant of a community pub might need to accommodate. The Green Dragon has always been at the centre of community activity, and the pub is well used by local residents; increasingly it has also now become a popular destination pub for visitors. For most villages, a pub is a vital service: it is a meeting place, communication centre and an important lynchpin of village life. Much of the appeal of Exelby as a close-knit village rests on its sense of community.

The tenants work in partnership with Exelby Green Dragon Community Pub Limited to provide a range of activities including Café and Deli, Free WiFi, Book Club, Quiz nights, Folk Club, Sing Around Group, Women’s Club, Gardening Club, Art Club, Village notice board, Restaurant, Grazing Boxes and Takeaway Service, Luxury Bed & Breakfast Accommodation, Beer Garden with Igloos.

The Green Dragon community group made clear to tenants what their expectations were from the pub. They also asked prospective tenants to attend community meetings and to present their ideas for how the pub would meet the interests of the community. John Walker from the Management Committee puts its success down to genuine partnership working **“Both the Society and the tenant need to be open to ideas.”**

Example - The Abingdon Arms, Beckley, Oxfordshire: The tenancy agreement includes various ‘operating guidelines’ covering pub style, housekeeping and the requirement to support ‘More Than A Pub’ events as agreed between the Society and the tenants. As a result, the pub hosts a range of monthly free events which help to increase footfall and attendees may become regular customers.

The Society have relatively formal liaison meetings with the tenants, roughly every 4- 6 weeks (in non-Covid times), and meet to co-ordinate property maintenance.

I What you can expect from the community pub group:

- A community pub profile outlining how they operate and what they expect the pub to offer to the community
- A commitment to work with you to ensure that you can run a successful pub that meets the pub group's aims
- A clear written agreement setting out terms and conditions of the tenancy or lease
- Regular meetings with a sub-committee of the community group. They may be monthly or quarterly depending on the needs of the community group

I What the community pub group can expect from you:

- A business plan setting out how you will run the pub and balance that with meeting the community's stated aims for the pub
- Collaborating with the community to make sure the pub meets its needs
- Regular meetings and updates on how the business is progressing e.g. copies of VAT returns
- To be fully informed of how you are meeting your responsibilities and all the terms of the agreement



Wherever you are in the UK, if you are interested in starting or developing a community pub please contact the Plunkett Foundation - **01993 810730**, info@plunkett.co.uk or visit www.plunkett.co.uk to find out how we can support you.

The Plunkett Foundation helps rural communities UK-wide to tackle the issues they face by promoting and supporting community business. In addition to developing and safeguarding valuable assets and services, community businesses address a range of issues including isolation, loneliness, wellbeing, work and training.

If you share our vision for a vibrant rural economy with rural community business as its heart, why not join Plunkett as a member? Find out more about our membership packages [here](#).

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