THE JOLLY HUNTSMAN – BRIEFING FOR PARISHIONERS

Background

The Jolly Huntsman has been an “Asset of Community Value” for a number of years and this status was renewed earlier this year. This status allows the community to ask for a moratorium on the sale of the business in order to be able to organise and purchase it on behalf of the community. With respect to the Jolly Huntsman that moratorium has been granted and we are now in that period, which extends to 2 August 2024.

In deliberating the future of the Jolly Huntsman the Parish Council noted that there were three possible outcomes to the sale of the Jolly and these were:

1. That is is sold to a competent operator and remains a pub;
2. That is sold to a party who perhaps does not wish to run a pub but more realise the land value as residential property, which has happened to a number of other pubs in our area;
3. That it is not sold at all and the present owners remain *in situ* and unable to get on with their lives.

It was thought to be prudent to add a fourth option:

4. That it is sold to the community and run as a community asset.

This moratorium in no way binds the community to buying the pub, nor does it bind the owners of the pub to sell it to the community. If an alternative, better, bid arises then the vendors are perfectly entitled to sell to that buyer, or to refuse an offer from the community.

In the Parish Council meeting of February 2024 the Council agreed that while it was an interested party, it did not want to run the business itself but would rather encourage a community group to come forward, which will be supported by the Parish Council to purchase the asset.

The purpose of the meeting on the 21st March is to assess community interest in pursuing this option and to sketch out some of the present thinking on how it might progress.

Financial viability

The accounts of the Jolly Huntsman show that in the two most recent years it has had a lower revenue. This is considered to be in part the shocks of the pandemic in 2020 and further decisions such as limiting opening hours, e.g. not opening on most lunchtimes or certain evenings. Figures are available for 2018, 2019, 2022 and 2023. The figures for 2020 and 2021 have not been supplied but given that was during the pandemic they are not likely to be particularly informative.

Turnover of the business is bar, food, and accommodation sales. These totalled £503K in 2018, £553K in 2019 but £307K in 2022 and £331K in 2023. Over the years for which we have information for 31% of turnover is bar sales, 38% is food sales and 28% is accommodation.

The accounts show a number of cost lines which identify where funds can be put towards financing the enterprise – and these are highlighted in yellow in the accounts: normal trading profits, directors salaries, rent and depreciation. Directors salaries are funds paid to to the owners, rent is a transfer payment from the Jolly Huntsman Limited to the owners for use of the buildings, and depreciation is an accounting cost alone. Together these make up £130,000 of the costs in 2019 and even £44,420 in 2023. These are the funding streams which could go to covering the financing costs of any public works loan taken out to fund the project. For illustrative purposes, £44,000 could finance a loan of £400,000 over 11 years via the public works loan. No impact on the precept is required. If you take the higher 2018 figures the same loan could be cleared in 4 years.

In short it looks financially viable.

FINANCING

The present valuation of the Jolly Huntsman is £650,000 and is a freehold. There are a number of options available to fund the purchase of the asset. This includes:

- The Community Opportunity Fund (COF)– which supplies grants of up to £2m, however discussion with the Plunkett Foundation has clarified that it is much easier to apply for a grant of £250,000 and a further revenue grant of £50,000. The latter can be used to cover set up costs and some refurbishment. The COF needs to be match funded.
- Selling Community Shares. A community benefit society (CBS) would be able to sell community shares to raise further funds. Under some quite strict conditions these are able to pay interest after three years (although generating profit cannot be a primary reason for getting involved). A minimum and maximum investment amount will be set.
- Public Works Loan (PWL). This could fund the remainder of the balance. Interest rates are presently between 4.7% and 5.4% depending on term.
- Coming online after 2025 is the Eden Renewables fund in respect of the Leigh Delamere solar farm, which is shared with Grittleton Parish Council. While this has not been set up yet its worthwhile to have this in mind for the future.

To summarise the possible make up of finance is:

Source	**Amount**	**Notes**
Community Opportunity Fund	£250,000	Grant
Community Shares	?	To be investigated
Community Opportunity Fund Revenue Grant	£50,000	Grant, for immediate costs and refurbishment.
Public Works Loan	Upto £400,000	Loan
Eden Renewables Fund	?	Grant

Support Available for the Project

The primary organisation providing support for the project is the Plunkett Foundation, who provide help and guidance in setting up the CBS including assistance with the constitution, help with applying for COF grants and PWL. Additional support for PWL is from Wiltshire Association of Local Councils. In order to access COF funding it is important to note that the application should be more than just “the locals owning the pub”. The CBS would have to adhere to the principals of co-operatives and have wide local democratic support.

It should demonstrate wider community benefit and its worthwhile thinking about how the asset can leveraged to provide more benefit. Suggestions include providing warm spaces for those finding difficulty meeting their energy bills, use by and for community groups, and providing something for everybody. Some of the space could be converted for alternative uses. This needs to be thought about and seriously planned.

A community survey will need to be done in addition to recording the outcomes of meetings. This can also be used as the basis for a business plan in determining what the community want to get out of the project and detail the opportunities this provides.

Crucially, there would have to be support from the community to access grant funding, and there are quite a few roles to fill in setting up the CBS including chair, treasurer, secretary and committee members.

Looking Forward – Managing the Asset

The CBS would have a number of options in terms of how to manage the asset once it is the owner.

1. Full committee management via an elected committee from CBS members. This is similar to other bodies in the village.

2. Letting the property to a competent manager and charging a rent to cover the costs of any financing.

Advice from organisations such as The Pub is the Hub favours management as per the latter option. Day to day running is done by a tenant landlord who takes on the asset and runs it as a business. In this case the role of the CBS is managing and maintaining the asset, typically this is also includes bi-annual meetings between the CBS and manager to deal with suggestions, feedback, community involvement. Of course there is the possibility of discounts for community members, CBS members, volunteer staff and quite a lot of options on a spectrum from the two models of management.

Some Time Lines

An application to the community opportunity fund requires us to send in an expression of interest and then apply for funding. Realistically we are likely to be ready for the next round in April and we have already been advised not to rush the funding application. Public Works Loans are open all year and should be fairly straight forward.

A lot of very useful information is available from the Plunkett Foundation. A good starting point is here:

https://plunkett.co.uk/essential-resources/

Decisions to be made

1. Is the community interested in following with this plan?
2. Are people prepared to get involved in setting up the CBS, donating expertise, taking positions within the CBS, undertaking surveys?
3. Are we able, or interested in, raising funds from the community?
4. Where are we going to identify additional community benefits from community ownership?