



Ministry of Housing,  
Communities &  
Local Government



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hands



Improving rural lives together



CO-OPERATIVE &  
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the lender for social purpose



Key Fund  
Growing Enterprise in Communities

# More than a Pub: Community Pub Business Support Programme

How to apply for support and funding through the programme



February 2018 v1

Photo credit: Roger Cuthbert

# Contents

## Part one

### Introduction

- 3 [About this programme](#)
- 4 [Can you apply?](#)
- 6 [What support and funding is available?](#)

## Part two

### Application process

- 7 [The process and timings](#)

## Part three

### The application forms

- 10 [The application forms](#)

## Part four

### Frequently asked questions

- 11 [Frequently asked questions](#)

## About this guidance

This guidance provides an overview of our 'More than a Pub' programme and can help you to decide whether the programme is right for you. It includes information about the types of projects that More than a Pub is designed to support, details of the funding and support on offer, as well as the criteria that will be used to assess applications.

**Part one:** Explores the criteria and will help you to decide whether More than a Pub is right for you.

**Part two:** Provides information about how to apply and the application journey

**Part three:** Offers advice that will help you complete your application.

**Part four:** Aims to answer any other questions that you have about Power to Change, Plunkett Foundation and the application process.

**If you require this guidance to be sent to you in large print, braille or an audio transcript, please get in touch by emailing [charlottec@powertochange.org.uk](mailto:charlottec@powertochange.org.uk)**

## Get in touch

If you have questions at any point during your application process, you can get in touch with Plunkett Foundation for free advice and guidance.



**Call our helpline on  
01993 810 730**

For one-to-one advice, call our helpline Monday to Friday, 9am - 5pm (local call rate)



**Email us**

Complete our on-line enquiry form on

**[Plunkett.co.uk/forms/  
initial-contact-form](https://plunkett.co.uk/forms/initial-contact-form)**

or email

**[info@plunkett.co.uk](mailto:info@plunkett.co.uk)**

## Part One | Introduction

### About this programme

Over the last 10 years the UK has lost nearly 8000 pubs – around a fifth of all pubs nationally (CAMRA 2017). For many communities, pubs are not just a place to eat and drink; they are central to peoples’ sense of place and identity and they foster belonging and community cohesion. In rural areas pub closures can represent the loss of the last community meeting space and trading facility.

The ‘More than a Pub’ programme aims to bring pubs into community ownership and to increase the range of services they offer to help local people. The programme provides funding and support to community groups who wish to take ownership of their local pub and who need help to develop their ideas and plans. An extensive support programme is available until March 2019 which includes business development advice and a combined finance package of up to £100,000 made up of loans and grants.

We’ve already supported a pipeline of 200 community pub groups at various stages of their journey. By December 2017, 18 new community-owned pubs had opened under the programme. Nine of these had received loan and grant funding totalling £885,000. A range of support is available under the programme to help groups develop their ideas. This includes help with community consultations, advice on legal forms, business planning, and community share offers.

This £3.7 million programme is jointly funded by the Ministry of Housing, Communities and Local Government (MHCLG) and Power to Change. This exciting programme is led by the Plunkett Foundation and delivered in collaboration with Co-operative & Community Finance, Key Fund, the Campaign for Real Ale (CAMRA), Co-operative Mutual Solutions, Pub is the Hub and Locality.

#### About Power to Change

Power to Change is an independent trust, whose funding is used to strengthen community businesses across England. At a time when many parts of the UK face cuts, neglect and social problems, we are helping local people come together to take control, and make sure their local areas survive and stay vibrant.

#### About the Plunkett Foundation

Plunkett Foundation was established in 1919 and helps communities to take control of their challenges and overcome them through collaboration. Plunkett supports groups of people, to set up and run life-changing community businesses; enterprises that are owned and run democratically by large numbers of people in their community.



#### Case study: The Gardeners Rest

The Gardeners Rest is nestled in the district of Neepsend, and is the only operating pub in a district famous for connections with the gas, steel and rail industry. The group received a bursary of £2,500, from ‘More Than a Pub’, which paid for an architectural survey, refurbishment costings and a promotional film. They then received a £50,000 loan and £50,000 grant to help purchase the pub. The Gardeners Rest now hosts regular arts and music events, and people with learning disabilities are employed to prepare food and do cleaning and bar work. In due course, accredited training opportunities will also be provided.”



# Part One | Introduction

## Can you apply?

**We are seeking to work with groups who represent their local community and who wish to take ownership of their local pub, running it as a valuable community asset. Pub groups must be able to show evidence that the pub is for sale. Grant and Loan funding from this programme is specifically for groups that are committed to delivering services for the benefit of the wider community, overcoming local issues and creating significant social impacts.**

**These ‘More than a Pub’ activities could include:**

- ▶ Book club
- ▶ Library buses
- ▶ After school clubs
- ▶ Community transport / minibus
- ▶ Shop
- ▶ Post Office
- ▶ NHS health checks
- ▶ Blood donation
- ▶ Defibrillator
- ▶ Massage
- ▶ Walking groups
- ▶ Choirs
- ▶ Councillor surgeries
- ▶ Meeting room space for community groups
- ▶ Sports e.g. running / darts / football team
- ▶ Low cost communal lunches
- ▶ Allotments
- ▶ Community events
- ...and much more

In addition to the above list the provision of employment and volunteering opportunities will ensure your community pub business has a positive impact on the local community.



## Part One | Introduction

### Can you apply? (Cont.)

In order to qualify for support through the **More than a Pub** programme your group will need to meet the following programme criteria:

- ▶ Be based and working in England.
- ▶ Can demonstrate that the pub is for sale, or the current owner is willing to negotiate.
- ▶ Are looking to take ownership of an existing pub either closed or trading.
- ▶ There is open membership, where new members are encouraged to join and be involved as part owners.
- ▶ Governance is democratic, with a one member, one vote policy.
- ▶ Can demonstrate that their proposal advances a community and social purpose and provides public benefit, with no or only minimal private benefit involved.
- ▶ Can demonstrate support from the local community.
- ▶ Using, or planning to use a range of agreed appropriate structures, which are:
  - **Community Benefit Societies**
  - **Co-operative Societies**
  - **Companies Limited by Guarantee**
  - **Community Interest Companies (large membership).**
- ▶ Regardless of legal structure, an asset lock, or other significant barrier, must be in place to ensure minimal private benefit (and notably the pub cannot be sold for the private benefit of those involved).
- ▶ Can demonstrate that some community finance will be or has been raised in support of the project.
- ▶ Committed to engaging widely with the local community, and surrounding areas if appropriate.
- ▶ Surplus income will either be re-invested in the business or used to support the objects of the enterprise in some other way. In this context, the payment of interest on share capital will be seen as an operating cost and not a distribution of surplus and must comply with the Charity Commission's statement on the payment of interest. There will not be any form of profit distribution.
- ▶ Can evidence that other local businesses and community groups have been consulted and will not be displaced by the proposed Community Pub Business.
- ▶ Are planning to offer a range of services which will benefit local people including those who are socially excluded or isolated. These services must be over and above what a normal pub would provide.

# Part One | Introduction

## What support and funding is available?

**More than a Pub aims to bring more community pub businesses into existence. The programme offers a wide range of support for groups who wish to take ownership of their local pub and run it for the benefit of their local community.**

**More than a Pub offers community groups:**

### 1. Action Planning

Two days' initial Action Planning support with an approved adviser outlining the key steps involved in consulting with your community and setting up a community pub business. This stage is pre-requisite for receiving further support on the More than a Pub programme.

### 2. Learning, events and peer networking

The opportunity to learn from existing community pub businesses and sector specialists through visits, events and webinars.

### 3. Bursary funding of up to £2,500

Pre-feasibility funding of up to £2,500 (inclusive of VAT) payable to groups retrospectively. This funding can be used to fund development costs at the pre-feasibility stage of your project and could include; consultation, incorporation fees, evaluation and survey fees, professional services, printing and marketing.

### 4. Business Development Advice

An initial allocation of up to 3 days' business development support. When you have established community support for your idea and that you want to proceed, we will match you with one of our experienced specialist advisers who will work with you to deliver a tailored package of support. The advice available at this stage includes:

- ▶ Incorporation, legal structure and governance
- ▶ Business planning
- ▶ Raising Finance and Community Shares
- ▶ Financial Modelling
- ▶ Determining and measuring your chosen 'More than a Pub' activities
- ▶ Getting ready to trade
- ▶ Preparing your group's application to Loan and Grant Panel

Where a need can be identified we can provide top-up business development advice of a further 2 days' but this cannot be guaranteed.

### 5. Loan and grant combined funding package of up to £100,000

Combined loan and grant funding up to £100,000 is available via the programme and we work closely with Co-operative & Community Finance (CCF) and Key Fund who administer the loan finance. Funding awards will not exceed £100,000 and the maximum grant contribution is £50,000. Gaining approval for the loan funding element is a pre-requisite for the loan and grant package and grant monies will only be released once the loan has been approved with a loan provider.

The amounts and ratios available are discretionary and will be assessed against the group's ability to service a loan, meet the eligibility criteria and clearly demonstrate their wider social and economic impact.

Groups are also expected to raise a proportion of community finance which will be taken into account when determining the funding mix.

## Part Two | Application Process

### The process and timings



The Plunkett helpline is available to provide groups with support at all stages on the 'More than a Pub' process. Any questions should be directed to a member of the team on 01993 810730 or by email [info@plunkett.co.uk](mailto:info@plunkett.co.uk)

## Part Two | Application Process

### The process and timings

#### Apply for a loan and grant (if you decide to)

##### Apply for a loan and grant

The loan and grant is a dual application process. Groups should complete an application form issued by Plunkett and will be signposted to one of two loan providers; Co-operative and Community Finance or Key Fund (depending on your location) to complete your loan application.

You'll need to provide the following with your application: a completed 'Impact Matrix', a Business Plan, evidence of community finance raised and a copy of your Community Share Offer document (if applicable).

- ▶ **Panel meetings take place on the second Thursday of every month.**
- ▶ **Applications must be submitted by the 28th of the previous month.**

##### Combined Loan and Grant award

You may be awarded a grant and loan or we may make you a conditional offer. A conditional offer can help you demonstrate proof of funds, but conditions must be fulfilled before funding is released.

**If after reading the above, you believe your ideas for a community pub fits our criteria, then please contact us via our helpline, or our online enquiry form (details on page 2). We encourage and welcome applications from people from all backgrounds who are looking to make a real difference to the lives of their local communities**

- ▶ **Panel meeting decisions are communicated within 10 working days of the panel date.**
- ▶ **30 days notice is preferred for the draw-down of agreed Loan and Grant awards.**

The Plunkett helpline is available to provide groups with support at all stages on the 'More than a Pub' process. Any questions should be directed to a member of the team on 01993 810730 or by email [info@plunkett.co.uk](mailto:info@plunkett.co.uk)





## Part Two | Application Process

### The process and timings

**This page accompanies the flow chart on pages 7 and 8 and describes the process your group will need to go through to access support and funding.**

#### Check if you are eligible and request support

To apply for support via the programme you should first ensure you meet the programme criteria found in Part One of this document. All applications should be made through the Plunkett help line or our online enquiry form (details on page 2). We will carry out a short pre-qualification telephone call to ensure your group meets the programme criteria. To access the next stage of Action Planning support, you will be required to complete a 'Request for Support form'.

#### Action Planning

The initial support provided via the programme is at the 'Action Planning' stage. This is a pre-requisite for accessing all other support through the programme including funding. To access Action Planning support, you will be required to complete a 'Request for Support Form'. Action planning support is delivered by your adviser who will contact you to arrange a meeting.

#### Apply for a bursary

There is a separate form for bursary applications. These are administered through the Plunkett Helpline and full guidance is provided at this stage.

If you wish to apply for a bursary you will need a bank account set up in your groups' name. We are unable to make payment into a third party bank account. All payments are made retrospectively within 30 days of receiving a claim and supporting evidence of spend.

We run a rolling application process for bursaries to ensure we can meet your groups' needs as possible. Groups can apply to us at any time and in-line with their own timetable of events and requirements.

#### Apply for the Loan and Grant package

Complete a Loan and Grant application form available via Plunkett's Advice Line. Loan and Grant decision making panels are held monthly. Please liaise closely with Plunkett Foundation to ensure we are aware of your group's needs. We envisage all support to groups being finalised by December 2018.

The loan and grant application process is subject to approval by our loan providers. They will require certain key pieces of information to accompany your loan application. Full guidance will be offered when you apply but the types of additional information required are listed in the box to the right.

#### Further information needed by loan providers

Loan providers may need additional information including:

- ▶ Up to date copies of any Business Plans and Share Offer Documents.
- ▶ Financial forecasts - Detailed Profit & Loss, Cash Flow and Balance Sheet Forecasts with Assumptions and any previous trading history
- ▶ Any details of the pub tenant (if someone is lined up) or details about the recruitment process, person spec.
- ▶ A draft tenancy/ management Head of Terms agreement if applicable
- ▶ Any loan stock agreements
- ▶ Breakdown of shares or pledges by amount; to see the mix of equity investment
- ▶ Details of any covenants, restrictions or charges fixed against the property or society we should be aware of
- ▶ Any restrictions on access to the property, trading activity, licensing arrangements, overage clauses etc.

Groups are encouraged to prepare this information early in the process to enable applications to progress quickly once they get to loan application stage.

## Part Three | The application forms

**As described in the previous section there are three forms your group will need to complete at various stages in your journey to access support. These are the 'Request for Support' the 'Bursary Application' and the 'Loan and Grant Application' forms.**

The information we will require becomes more detailed as you progress through our process and as you apply for larger amounts of funding / support. However we will ask you about the following themes at all stages of your journey.

### Community consultation

It's important for this programme that your community pub proposal has the support of local people and we will ask you about this on each of our forms. We'll need you to tell us how you know your community supports your plans. This may be through feedback you've had at public meetings, research carried out by other organisations, or a formal community consultation you've carried out. The more evidence you can state the better. We're interested in local people's opinions about the services they want your pub to provide including how it will address wider community needs. By the time you apply for a large loan and grant we would want to see the results of a formal consultation carried out by your group.

### Impact

We'll need to see evidence from the start of your journey that you are thinking about how your pub will benefit the local community through services over and above what a normal pub would provide. At request for support stage these could simply be ideas which you have discussed informally with local people. By the time you apply for a large loan and grant we would expect to see a detailed plan listing all the additional activities and services you will be providing with dates by which they will be delivered. You can provide these services 'in house' or alternatively invite external groups and organisations to provide services from your pub such as blood donation, police surgeries and mobile library service.

### Community finance / share offer

A proportion of the funding you raise should be from the local community such as crowdfunding or a community share offer. We will ask at each stage how your plans are progressing and how much funding you have secured in pledges or actual capital. At Loan and Grant stage we would like to see a copy of your share offer document.

The helpline team are available to assist you with any more detailed queries you may have and to guide you through when you fill in the applications forms.

### Ask us!

You can contact the Plunkett Foundation Advice line with any questions about this form from Monday to Friday, 9am - 5pm (local call rate)



**Call our helpline on  
01993 810 730**



**Email us**

Complete our online enquiry form

**[Plunkett.co.uk/forms/  
initial-contact-form](https://plunkett.co.uk/forms/initial-contact-form)**

or email **[info@plunkett.co.uk](mailto:info@plunkett.co.uk)**



**King's Head pub in Pebmarsh. Photo credit:  
Roger Cuthbert**

## Part Four | Frequently asked questions

<b>1. We are an existing community pub business. Can we apply to the programme?</b>	No, the programme is designed for new groups looking to acquire a pub business under community control. Please contact Plunkett to establish what support may be available.
<b>2. Does our pub need to be for sale to qualify for support through the programme?</b>	In order to receive adviser support or funding you need to be able to evidence the pub is for sale or that the current owner is prepared to negotiate with your group.
<b>3. Does the pub need to be open and trading?</b>	No, the programme can support your group even if the pub is closed but you do need to be seeking to acquire an existing pub building.
<b>4. How many people need to be in my group?</b>	To qualify for support you must have a working group of at least 3 people.
<b>5. We do not have a legal structure at the moment can you still help us?</b>	Yes, the programme can provide guidance on legal structures.
<b>6. Do we need a bank account to access the bursary?</b>	Your group can apply for a bursary without having a bank account in place but we cannot make payments until your group has an account in it's name set up. We cannot make payments into third party account.
<b>7. Can we just apply for a grant without the loan?</b>	No, awards are made up of a mix of loan and grant the final amounts are agreed at panel. You can't have one without the other.
<b>8. Do we have to raise funds of our own?</b>	Yes, the panel will be seeking evidence of some finance raised within your community.
<b>9. Is it a fixed rate loan?</b>	Loans are offered at a fixed rate of interest of 8%.
<b>10. How quickly can the loan be repaid?</b>	Typically the term of the loan would be between 1 & 7 years payable, as far as possible, in equal monthly instalments. A repayment schedule will be provided by the loan provider.

## Part Four | Frequently Asked Questions (Cont.)

<b>11. Are longer repayment terms available?</b>	In exceptional circumstances loan providers may consider finance over a longer term or through a blended arrangement with other loan providers. Each case will be considered on its merits and terms may vary from the standard. Please speak to the loan provider for further details
<b>12. Are there any early redemption penalties on the loan?</b>	Yes, if the enterprise repays any part of the loan earlier than schedule they will be liable to pay a penalty fee.
<b>13. Is security required?</b>	Loans will be largely unsecured although for larger sums security may be sought in the form of a legal charge over the property asset. Personal guarantees and other forms of personal security will not be considered.
<b>14. Are there options to pay less at the beginning?</b>	A capital repayment holiday of up to 12 months (maximum) may be granted at the start. Interest payments will still be collected each month during this period. All requests are subject to negotiation and the business case put forward will be considered on its merits. A repayment schedule will be supplied by the loan provider.
<b>15. At what stage does interest start being paid?</b>	Loan interest is charged from the day the loan is drawn down and repayments will commence on a set day of the month following the draw down of the finance. A repayment schedule will be supplied by the loan provider showing a breakdown of interest and capital repayments.
<b>16. What is the loan to value ratio?</b>	There is no set loan to value ratio. We would however want to see a reasonable proportion of community investment in the initiative.
<b>17. Are there any fees or set-up costs?</b>	Yes, typically an arrangement fee of 1% of the sum advanced or £350 (whichever is the higher) is charged at the outset. This fee contributes to the costs incurred in completing the due diligence prior to making a loan offer together with the cost of administration and any ongoing support provided over the term of the loan.