



THE TEBWORTH COMMUNITY PUB LIMITED

An Industrial and Provident Society for Community Benefit

Business Plan

For community ownership of

The Queen's Head Public House

The Lane, Tebworth, Bedfordshire LU7 9QB

Produced and published by Tebworth Community Pub Limited
Company No. RS007402

A Community Benefit Society registered with the Financial
Conduct Authority (Registration No. 7402)

Business Plan

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Introduction

This Business Plan will address the rationale, project development and financial projections for the proposed purchase of The Queen's Head Pub, Tebworth by the community. It is a truly unique opportunity which is unlikely to present itself again. It is essential for the future of this vibrant village and parish community that we are successful in our mission to build The Queen's Head into a thriving village Hub.

We believe that we have a unique and creative proposal which encompasses the whole village community and beyond. It joins up the heritage of our village with current and desired community activities, business and social well-being of the inhabitants; and the welcoming attitude which we pride ourselves on extending to visitors from outside our village.

Overview of Tebworth

With a population of around 450 (2011 census) Tebworth is a thriving community in the Parish of Chalgrave, Bedfordshire. It has been identified in the Local Plan for low growth housing which is likely to mean small developments of domestic dwellings on suitable sites. However there are opportunities for growth of trade from new housing development to the north of Houghton Regis, where 7,000 new homes are being constructed. Tebworth lies within five miles of several larger areas of population:

- Houghton Regis – 17,900 (plus 7,000 new homes under construction)
- Dunstable - 33,805
- Toddington - 9,000

History of the Queen's Head

The first mention of the pub is in 1795 when it is referred to in passing in a legal



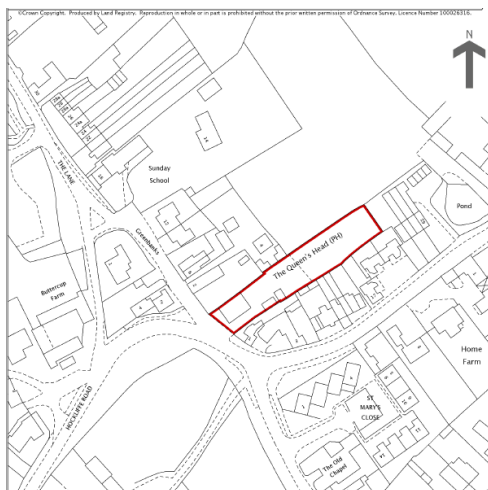
Queen's Head pre 1925 Location - Tebworth, Beds LU79QB The Queen's Head document. In 1821 James Whinnett a yeoman of Wingfield left to his eldest son James a building previously called the Three Horse Shoes and then the Queen's Head in Tebworth. The pub changed hands several times during the 1800's

The countywide licensing register of 1903 reveals that the property was “clean and in good repair” and had one front door, one side door and one shop door. In 1905 the Bedford brewer Charles Wells took over ownership. In 1925 the original timber framed building caught fire, however it was quickly rebuilt.

Later that year a valuer visiting the Queen’s Head noted that the tenant paid £10 tied rent per quarter and that: “this house is under construction”. It would contain a public bar, a private bar, a living room, a jug and bottle department, a scullery, a pantry and a cellar with four bedrooms on the first floor. Outside stood a weather-boarded and corrugated iron coal barn, a private earth closet and a public urinal and earth closet in the yard. The valuer commented: “Very nice, rebuilt 1926, in centre of the village, modern, easily worked place”. Today [2016] the Queen’s Head is the last (of the original three) pubs in Tebworth.

The property – current condition and potential

The Queen’s Head pub is currently owned by Charles Wells Ltd, who are now



offering it for sale on the open market, for “*continued use as a free house or potential residential development*” (please see Appendix 1:Particulars of Sale). The entire site has an area of 0.28 acres, comprising of the pub, outbuildings, car park and a large rear garden.

The rateable value is currently listed as £7,500 however, as the only pub in the village; the premises are exempt from rates under the

government Rural Rate Relief scheme. The Queen’s Head lies within a conservation area and was listed as an Asset of Community Value in 2013. Located on the Icknield Way Walk, a popular route for walkers, the pub has scope to extend its offer in order to cater for this passing trade.

The current trading area comprises 2 bars, a kitchen, cellar and toilets. The first floor accommodation has a living room, two double bedrooms, a single bedroom and a bathroom. There is currently no kitchen upstairs, however the single bedroom could easily be converted into a small kitchen.

There is a garden of approximately .015 acres to the rear of the pub car park. It is proposed that this be retained and managed by the community, with a small area set aside for pub seating. The retention of the bulk of the garden area will allow for the development of a sustainable and attractive 'Permaculture' garden offering a range of community services and activities. It is proposed that the timber framed outhouse, currently in the pub car park be moved into the garden area, this would be refurbished as a multi-use space providing scope for a garden bar/café in the summer months, and a small meeting space for activities. Potential grant funding sources have been identified for the development of the community garden. There is scope for the possible location of 1 or 2 'glamping' yurts and a composting toilet to the rear of the site, which could yield an additional income during the summer months.

The car park currently has parking for only 14 cars, however removal of the prefabricated concrete garage and timber framed outhouse (see plan in Appendix 1), together with landscaping of the rear banked area could potentially provide parking for a further 6-8 cars, together with secure bike storage.

Current trading patterns

For over 10 years The Queen's Head has had little or no investment from the owners, and the facilities have deteriorated. The kitchen is no longer able to serve food as it does not comply with current food hygiene regulations. The current landlord is 84 years old and is no longer able to care for the premises and grounds.

The Queen's Head is currently operating as a 'wet' pub, with reduced operating hours, yet it is making a small operating profit.

Currently the pub opens at about 7pm on weekdays and a few regulars attend followed by the late group at around 9.00 pm. Friday and Saturday evening have a strong following but with a different time pattern and clientele. Sunday Lunch-time is always busy and again has a different group of customers. The pub currently serves two real ales, keg beer, lager, cider, spirits, a small selection of wines, and soft drinks. Food other than bar snacks is not available. The following events comprise the pub's current programme:

- Darts and dominoes teams
- Fish and chip van on Tuesday nights

- Live music on Friday nights
- Monthly folk nights are well attended
- Special events such as vinyl night and quiz night occur sporadically but these are well attended
- The annual bonfire/Guy Fawkes party is always attended by 100+ people
- Special nights when food is ordered in from outside catering establishments, on such occasions the pub is always busy.

Executive Summary

Vision

We have registered the Queen's Head Society Limited, a Community Benefit Society, with the intention of buying the freehold and bringing the Queen's Head into community ownership. It is our aim to transform it into a thriving, viable and sustainable local pub with links to the local community. It will be a flourishing business owned by local shareholders and run for the benefit of the communities it serves.

Tebworth Community Pub Ltd. will run The Queen's Head Pub for the long-term benefit of the village and surrounding community. The principle of 'Run for The Community by the Community' is at the very core of its existence

Our ambition is to provide a village hub amenity for the whole community to use. By sound management and entrepreneurial activity we believe a profitable business can be maintained.

The Queen's Head will be run so that it is a sustainable business that can continue to provide services to the local community for many years to come as well as reaching out to the surrounding hamlets, farms and villages. This sustainability will be able to support the community in both social and economic ways by re-enforcing the already vibrant activities found there.

Aim

To purchase the freehold property known as 'The Queen's Head, Tebworth' and run it as a community owned free house and garden for the benefit of the residents of Tebworth and the wider community.

The Pub as the Social Hub

Pubs are great levellers. They bring together people of all ages, of all socio-economic backgrounds from around the area and further afield. They encourage social cohesion, communal activities, music events, fundraising events and participation in games and sports leagues. They provide social environments for people to eat and/or drink on their own, in couples, with family and friends – or with other pub users.

Pubs are not just providers of safe, supervised drinking environments: they are also hubs for social interaction. The Queen's Head is much loved by its regulars and appreciated by its occasional visitors. It has the potential to play an important role in the

lives of many more local people if it comes into community ownership. We would look to increase its daytime usage to benefit local charities and community groups. The positive impact on the community of a fully operational, thriving pub can be substantial.

Community Engagement

The present core clientele love the unique atmosphere of a traditional village pub and we aim to retain this support. However, the primary target is the parish of Chalgrave, which represents a population of approximately 475 people.

The 2011 census revealed the following age related data:

Over 65 - 19%

16 – 64 – 65%

0 – 15 – 16%

This split is in line with the average for the Central Bedfordshire Council area so we can safely assume that it is representative of the whole target community.

With the 16 and over group representing 84% of the population it indicates a huge market opportunity for the business.

Employment in our target area is predominately commuter, agricultural, light industry, arts and service businesses.

Community Purpose

The Queen's Head would provide Tebworth village and the local community with a central hub for socialising and belonging. The need for this is essential for the community to continue to thrive and grow.

Whilst there is a village hall, this is predominantly used for occasions such as Parish Council Meetings, fitness groups, Wedding receptions and public meetings and entertainments.

The community could now faces the real dilemma of having nowhere to meet regularly in a warm friendly environment that serves food and drink. In rural communities loneliness has been identified as a major concern for the wellbeing of residents and we wish to ensure that we do not lose the community cohesion that The Queens Head provides. All parts of the community regardless will be catered for by encouraging targeted and themed events alongside the traditional village pub activities.

In villages the over 65 population, disabled and low income residents can be at risk of rural isolation.

- There is an irregular bus service to the village from Toddington and Dunstable twice a day in the morning only.

- Services to support rurally isolated residents such as a community parcel pick up/drop off a supported community internet shopping service and a micro shop selling local produce and essentials would also support community engagement with the pub.

Evidence of Community Support

Community support has been impressive. Our initial village meeting was attended by around 100 people and the feedback was overwhelmingly supportive.

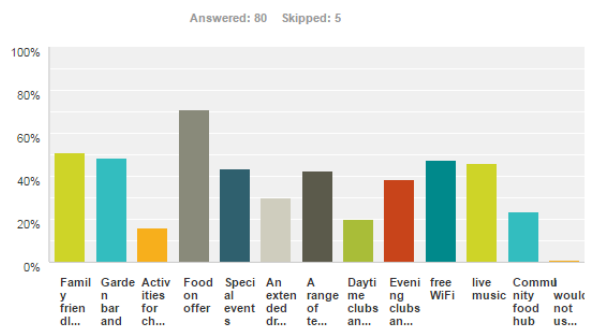
- We have a supporter list of around 40 people from within the parish and from neighbouring areas together with an interim development team of 14 residents, who make up the steering group and the marketing and media sub-group
- We have raised over £150,000 in pledges from our small community
- We have the full support of Chalgrave Parish Council, Central Bedfordshire Council and our MP, Andrew Selous.

Community Survey

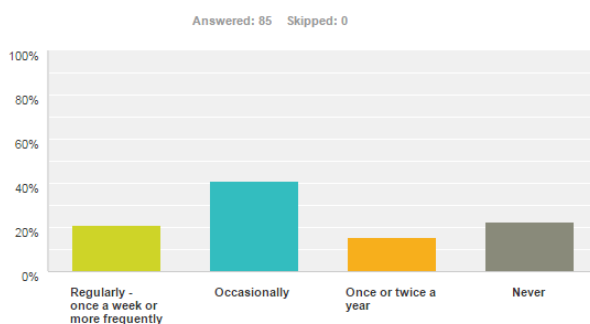
It is clear that the pub is a vital community asset which can provide a central hub for services and activities. To this end there has been an extensive community consultation in progress to find out what residents, regulars and potential users want from their 'local', and to inform our strategy and business plan.

To date the community survey has been completed by 85 households. 80% of the respondent households comprise 2

What would encourage you to use the Queen's Head more often? (tick as many as you wish)



How often do you currently use the Queen's Head Pub?



adults or more, Base on the mean average no of adult respondents we have had responses from over 40% of the adult population. The community survey revealed that while only 21% described themselves as regulars, 22% never used the

pub and 15% only used it once or twice a year (usually on Bonfire Night only).

All but one respondent indicated they would use the pub more often if the offer was extended and the facilities upgraded. Many respondents identified community services such as a 'micro shop' community online food ordering/delivery, and a parcel drop service as key to the community. Qualitative analysis of the comments section included in the survey yielded a number of popular creative suggestions for community activities. The most popular suggestions were:

- A micro shop selling stamps, newspapers, milk, bread and locally produced items such as eggs and honey
- Community firewood purchasing – the village has no mains gas so many people have fires and wood burners.
- A parcel drop off and collection service
- Youth evening
- Free WiFi
- Online shopping facility
- Book exchange
- Daytime coffee shop
- Community garden (we have no allotments in the village)
- Community learning classes and taster events

The Market

Although the principal aim is to serve the people of Tebworth we will also be looking to attract trade from a wider catchment area and make the Queen's Head a destination pub for visitors. In the past the pub's success has been built on its reputation as a friendly local, with a fine selection of real ale. We will be looking to obtain regional recognition for our real ale and craft ale selections as well as improving our wine list. With a continuing programme to improve the kitchen area and food offer, we will also be looking to supply good, locally sourced food. The Queen's Head has always been a meeting point and a centre for social cohesion but we would like to extend its role in the community.

Potential areas for growth of trade

Informed by our community surveys, research, and a series of consultations with existing successful community pubs we believe trade could be substantially increased if the premises were refurbished and the current offer extended to provide food, and an extended drinks offer which included quality wines, a wider range of non-alcoholic drinks, both hot and cold. The tenants of the Plough Inn, located 0.8 miles away, have supported our project from the outset. The Plough Inn has a healthy lunchtime and early evening trade in traditional cooked meals. We have worked, and will continue to work collaboratively with them to ensure our food offer differs substantially from theirs.

It is clear from our survey feedback that our community pub could serve as a hub, offering services such as free WiFi, community food ordering, a micro shop. It could be a meeting place for daytime clubs and gatherings, a warm welcoming place to read a book, or to have a quality cup of tea or coffee. The added facility of a community garden offers real potential for development and generation of income from community events and classes, garden plant and produce sales, community markets/food hub, and possibly accommodation revenue. During the warmer months our village pub could offer light lunches, a top up for walkers water bottles, and (when phase 2 is completed), perhaps a place to stay! Our marketing sub group has worked to compile a year-round programme of events for the pub and garden, which include:

- Weekly folk night
- Stand-up comedy
- Open mic nights

- Regular quizzes and themed nights
- Real ale and cider festivals
- Apple Day Festival
- Daytime craft club
- Family gardening and craft workshops
- Community food markets
- Promotional events linked to local food and beverage producers

Communication Strategy

We have created a separate sub-committee for Communications and Marketing. The strategy currently focuses on building our supporter base i.e. communicating to potential investors, and raising media awareness of our Community purchase campaign. We are committed to keeping paper based communication to a minimum, thus our main strategy comprises:

- Building a supporter base on Facebook and Twitter.
- Promoting the ‘sharing’ and ‘re-tweeting’ of our posts and tweets
- Redesign of the existing website and links to other key websites e.g. Parish, CamRA
- Building an e-mail supporter contact list
- Regular press releases to local and national media, key organisations and supporters, such as CamRA and our local MP
- Design and delivery of our Crowdfunder page
- Production of our Crowdfunder video

We also rely on more ‘traditional methods of communication in the local area

- A bulletin in the Parish Magazine
- A monthly report for The Parish Council and District Councilor.
- Posters in key location in the surrounding villages and towns (libraries, village halls, supermarkets and shops

The content will include progress updates, upcoming fundraising activities and an invitation to join the supporter group and suggest ideas for the project.

During our Crowdfunder campaign the media sub group will also be the driving force behind our key promotional events, and will coordinate volunteers who will be distributing our ‘Save the Queen’s Head beer mats with our Crowdfunding target and web-link at key events and businesses such as beer festivals, local breweries, real ale pubs and farmers markets.

We recognise that communicating our activities and keeping the wider community aware of progress and what is happening is vital to our success.

Strategies for improving competitiveness of the Society through membership and stakeholder engagement

We are aware of the need to run The Queen's Head as a competitive business. As a community business it will be essential to keep our members and stakeholders aware of this too. Our main channel for this will be direct customer feedback, the Chalgrave Parish News, our website and via social media. We can only run a continuous improvement policy if we know what our customers think and say about us.

- We will actively encourage customer feedback forums such as Trip-advisor.
- Members and stakeholders will also be encouraged to communicate to the management team with regard to The Queens Head and community garden offers

Legal Structure

Having established the need, desire for, and commitment to bring the Queen's Head into Community ownership, the Tebworth Community Pub Ltd was registered with the Financial Conduct Authority (FCA) as a Community Benefit Society (CBS). The Society exists in order to carry on business for the benefit of the community. Assets owned by the Society are locked in the CBS, and must be used solely for community benefit.

Finances

The freehold of the pub is on the market for offers in the region of 300,000 based on its development potential, but is also offered for sale as a going concern with an attached covenant for a development uplift of 50% for a period of twenty years. The actual price will be subject to negotiation with the owners. We have undertaken a pub valuation as a going concern which indicates a value of £150-£200,000.

As the pub is listed as an Asset of Community Value a six month moratorium was invoked, at the end of which an initial offer was made at the lower end of our valuation based on funds raised within the local community. This offer was rejected and the pub placed on the open market. We envisage that we will have to increase our offer toward the upper end of our valuation.

The aim is to raise a sum of money equivalent to the value of the assets through a share issue, grants, loan, fundraising and donations. We are expecting to raise an initial **£300,000** to purchase the freehold and get the pub ready for opening. In order to maximise the income potential of the pub we plan a second phase of development in order to build a rear extension. Our target for phase two costs is a further **£80,000**

We are applying for a More Than A Pub (MTAP) grant/loan from the Power to Change Trust through the Plunkett Foundation seeking a grant of £35,000 and loan of £45,000.

We plan to develop the community garden separately

Financial Returns

The pub will become a community asset, owned by shareholders, and run for the benefit of the community. Profits will be used to invest in and improve the business, pay interest to shareholders, and contribute to activities that benefit the community. In the unexpected event of the business failing, proceeds from the sale of the premises and any other net assets would be used to repay loans and reimburse investors. Any other remaining funds would be used for the benefit of the community or transferred to another

asset-locked body for the benefit of the community. However, it is in the interest of the community to make a success of the business and we are absolutely committed to delivering on our vision.

Pub Positioning

In positioning the pub offer we will include the best from the traditional pub model and add those elements that are relevant to our locals, our village and our aspirations. The Queen's Head will be a hub for residents of Tebworth and a destination pub for people living further afield. It will welcome those stopping by for drinks and a chat as well as those coming for a bite to eat. It will provide delicious bar food, a selection of quality real ales, craft ales and a fine selection of wines. It will be a meeting place, a social hub and a venue for many sports and music events.

With the popularity of local breweries and the emergence of a good number of micro-breweries in the surrounding area the pub is well placed to offer a unique outlet for locally brewed real ale, craft ale and cider.

The growth of the craft ale culture and the increasing popularity of micro-pubs are trends that we could use to our benefit by retailing new and fashionable bottled and canned ales and ciders. We would also increase the range and quality of the available wines and look to supply locally produced wines. Initially we will be providing relatively simple bar food to cater for the needs of our customers.

The Queen's Head will accommodate groups and organisations within and beyond our community. It will host events and activities, some as ends in themselves, others as vehicles to build regular trade.

By tapping into the wealth of commercial and entrepreneurial skills surrounding us, we will turn it into a thriving pub at the heart of our local community.

Vision

Tebworth Community Pub Ltd. will run The Queen's Head Pub for the long-term benefit of the village and surrounding community. The principle of 'Run for The Community by the Community' is at the very core of its existence.

Our ambition is to provide a village hub amenity for the whole community to use. There are no exclusions to this other than illegal activities. By sound management and entrepreneurial activity we believe a profitable business can be maintained.

The Queen's Head will be run so that it is a sustainable business that can continue to provide services to the local community for many years to come as well as

reaching out to the surrounding hamlets, farms and villages. This sustainability will be able to support the community in both social and economic ways by re-enforcing the already vibrant activities found there.

Objectives

To buy the Queen's Head and its grounds with funding received from grants, loans, donations and a share issue aimed at members of the community and beyond.

To conduct a fast, efficient refurbishment in order to reposition the pub and improve its appeal to the regular and occasional customers as well as the members of our community and those from further afield that will visit in the future.

To check the building in respect of energy efficiency and carry out any remedial work that will reduce its carbon footprint and keep bills as low as possible.

To make improvements to the grounds and car park with the aim of making the pub more attractive and child friendly while retaining the garden as a valuable space for the whole of the community to enjoy.

To run a viable, thriving and sustainable pub business with a friendly, welcoming, community focus, and a food and drink offer that is good enough to attract people from the local area, including visitors to the parish and those who are willing to travel to experience our unique offer.

To be in a position to pay annual interest to investors in the third year and to invest in further improvements and additions to the pub to achieve our aim of creating a true, and fully functioning, community hub.

Management structure

The current steering group consists of twelve Chalgrave residents who believe that it is vital to secure the future of The Queen's Head for the community.

The majority of the group will stand down en-bloc at the first Annual General Meeting (AGM) and individuals may offer themselves for re-election. A new committee of 7 will be elected by members' votes at the first AGM and, depending on number of votes received, committee members will have terms of office of between one, two and three years in length. This means that in subsequent years at least two committee members will be elected at each AGM, creating the opportunity for new blood and new ideas on a regular basis, whilst ensuring consistency of management.

Any shareholder is eligible to be on the Management Committee, having been properly nominated under the Model Rules.

The Management Committee will provide all members with an annual report which will set out financial statements and a report of the society's activities during the previous financial year. These financial statements will be made available to the public on the society's website

The Interim Management Committee

Interim Management Committee has been appointed to serve until the first Annual General Meeting. At this meeting all members of the committee will stand down and elections will be held for the new Management Committee. The initial Management Committee comprises four local founder members:

John (Ian) Lothian - Chairman

Ian has 47 years in Project Management covering Design, Construction and Operation of Major Capital Projects in the oil and gas industry. He has lived in Tebworth for 35 years and is also International Officer for Flitwick Vale Rotary Club.

Ken Green - Vice Chairman.

Ken is a retired I.T. manager who has lived in Tebworth for 46 years. He has been an active member of the community, serving on the local Parish Council since 1990 and the Chalgrave Memorial Hall Committee since 1980.

Roger Masters – Secretary.

Roger is a retired Chartered Accountant and local authority finance director, who was responsible for a budget of £5 million p.a. Roger has lived in Tebworth for 32 years, and is currently chairman of the Chalgrave Memorial Hall Committee.

Elsbeth (Beth) Bingley McCausland– Treasurer

Beth has lived in Tebworth for seven years and has over 30 years' experience of fundraising, budget holding and project managing community projects. Beth is a freelance designer of sustainable systems.

Keith Thompson - Consultant

Keith is a Director of Pebble Pubs Ltd., a pub management company and has a wealth of experience in the retail sector. He has lived in Chalgrave Parish for 14 years and is treasurer of Chalgrave Golf Club.

The management committee is supported by a steering group and a marketing and publicity sub-group

The Management Committee will appoint a Chair, Vice-Chair and Treasurer from amongst themselves. They will appoint a Company Secretary and a firm of accountants and other professionals as required.

The Management Committee will select the tenant of the pub, who will have the responsibility for the day to day running and a personal investment in growing the business

The Management Committee will directly manage the community garden and will be responsible for the appointment of any staff, and for the health and safety of the garden area

The success of the venture will be largely dependent upon:

- Finding commercially astute, experienced, operations committee members who have time to devote to the project and are prepared to do so in a voluntary capacity.
- Careful selection of an experienced, reliable, commercially astute and socially skilled tenant. The tenant and staff must have high standards in all aspects of the business, and be motivated by the desire to create a really special pub that is treasured by the community and attractive to those from further afield.

The Market

The Pub Market

There are now fewer than 48,000 pubs in the UK. Roughly 20% of these are managed pubs, 40% are non-managed (tenanted and leased) pubs and the remaining 40% are independent pubs.

Combined turnover is over £21 billion giving an average across the country of £437,500 per establishment, but this average is driven up significantly by the managed pub sector. For example, Greene King's managed pubs average turnover is £933,000 per pub and Young's £1.1million per pub. The independent sector averages £260,000 per pub. Our business plan aims for a turnover of around £225,000 a year for the Queen's Head to break even, and £250,000+ in order to provide enough profit for reinvestment and a return for the investors. The independent sector is generally outperforming the non-managed, and showing

greater resilience in terms of closure rates. Attention to high standards and a spirit of entrepreneurship abound among independents.



We do not underestimate the scale of the challenge, not just to buy and refurbish the Queen's Head, but to keep it open in the long term. Pubs are still closing – at a net rate of about 21 per week according to the Campaign for Real Ale (CAMRA). These closures are driven by a number of factors, the principal ones being:

- Realising asset value (with properties being of higher value when designated as residences rather than public houses).
- Weak planning laws offering very little protection to community assets.
- Changing lifestyles and patterns of food and drink consumption (connected to a whole host of socio-economic factors).
- Comparatively cheaper supermarket beer, wine and spirits. Pubs pay full VAT on everything whereas supermarkets pay no VAT on food so they can cross-subsidise their special offers on drinks.
- Business rates are an unfair tax on pubs. Pubs minister Andrew Percy has revealed that 13,000 pubs could be eligible for complete small-business rate relief in this year's the Autumn Statement.
- Excessive Pub Company and Brewery rents.
- In 2014, for the first time, UK sales of beer in the off-trade overtook those in the on-trade. People are choosing more often to drink at home. Significantly, the take-away and fast food market has grown to a colossal £30bn. While costs of eating and drinking in the on-trade is without doubt a key factor in the changing balance, the loss of pubs within communities also plays an important part in the overall decline in pub drinking. If you don't have a pub within easy walking distance, you are less likely to use the pubs so often.

It's not just off-trade that is taking the leisure pound. There are now 20,000 coffee shops in the UK – and sales rose to £ 7.9bn in 2015, 10% higher than in previous years.

M&C Allegra values the total UK eating out market at £85.4bn for 2015, with a growth rate of 2.9% and a market comprised of 332,000 outlets.

Findings from our own research show that over 50% of the respondents would like to see food available throughout the week in the pub. Growth nationwide is driven

largely by breakfast and lunch – suggesting these opportunities are worthwhile exploring, even though the local community has not necessarily identified this as the most important demand.

The good news is that many pubs are thriving. According to a Barclays survey carried out in 2015, average pub turnover has increased 23% in the three years since March 2012, with growth driven by younger operators.

Our Market Opportunities

We understand the risks, and will be taking every possible step to mitigate these, but we also see many opportunities, and will be taking every possible step to exploit them.

We enter the process with the advantage of:

- A fantastic local pub in a rural setting with a large garden
- A local community inspired by, and committed to, the successful running of a much-loved pub.
- Access to a wide range of industry data and analysis – including operational and financial specifics from other community acquired and run pubs.
- A dedicated team of professionals with a wide variety of commercial and managerial skills
- A number of award winning breweries and micro-breweries in the surrounding area.

The opportunities include:

- Interest in real ale and craft beer, has grown in the past few years. According to statistics released by accountancy group UHY Hacker Young on 2nd October 2016 a new brewery opened every three days in the UK in 2015, taking the total number of breweries to almost 1,700 largely thanks to the popularity of craft beer.

There is a genuine opportunity to establish the Queen's Head as the local real ale/craft beer haven.

The interest in wine is also key to success – and we will look to stock a good selection, across a wide range of tastes and prices.

Without the buying power of the pub chains we may not be able to compete on price across a whole menu, but we will ensure that there are special offers that provide great value for money, and we will offer locally sourced bar food at a competitive price. In time we will look to develop our kitchen facilities so that we can offer freshly cooked food that differentiates us from the vast majority of managed pubs. We will aim to make the pub renowned for excellent and unique pub food.

Spirit choices, especially gin, will help ensure that the occasion-led and younger ends of the market are well catered for.

Premium soft drinks and excellent quality coffee and tea will be key to embracing the whole community. We expect customers who are drivers, non-drinkers or only occasional drinkers to be just as well catered for as those who are choosing an alcoholic drink.

Events will be critical to the building of custom, the bringing together of the community and the driving of sales. Examples include tutored wine tastings, master classes in beer tasting, real ale festivals, special occasion parties and charity events. There are endless opportunities to do something special that marks the Queen's Head out as the place to be to have fun.

Local Competition

We recognise there is and always will be competition, and we believe competition is good for business and drives success and excellence! Businesses that have no competition may become complacent, stagnant and eventually die.

- The Plough public house in Wingfield is 0.8 miles away. It is a Fullers tenanted establishment and provides an extensive home cooked menu and old world atmosphere, coupled with a selection of real ales. The food offer is a mix of traditional pub grub with daily specials. It is popular at lunchtimes and in the early evening and hosts a range of clubs and activities. The present tenants have expressed their full support for the Queens Head as the businesses will have different niches.
- Toddington, approximately 1.5 miles away has several public houses, however the only pub with a substantial garden...The Bedford Arms, has been closed for several years and the owners continue to seek a tenant.

- Toward Houghton Regis, some 2 miles away, is the Red Lion at Bidwell, it serves traditional pub food with a carvery and has a small, garden overlooked by a busy road.
- The nearest local grocery shop and post office are also in Toddington and although the shop is well stocked we believe that a local stock of basic essentials will save transport costs and inconvenience.
- Toddington offers a range of takeaways including fish and chips, Chinese, and an Indian restaurant, plus a cafe.
- Whilst the Chalgrave Memorial Hall is a local meeting place / venue, it is large and not suited to the type of activities requested in the community survey. We will work together to encourage events that benefit both.

Marketing Strategy

The Queen's Head carried out very little marketing in the past. Much more active marketing will be needed to attract new customers and increase the footfall. The marketing plan will be developed by the Management Committee.

Tebworth Community Pub Ltd has already established a publicity, media and marketing sub group, currently comprised of the owner of a local recording studio, two international project managers and a local therapeutic coach, who have all run successful media campaigns. In addition we have connections with artists, film makers and IT professionals.

We will use traditional methods, social media platforms and innovative marketing to publicise our pub. With the help of local brewers, breweries and CAMRA we will look to become a destination pub of some note, while continuing to increase our involvement and support for local groups and charities.

The marketing strategy will take into account target markets and data capture. It will also cover the use of voluntary support and keeping shareholders and the local communities motivated and engaged.

The Potential to Succeed

There are a number of reasons why the Queen's Head has the potential to succeed where others have failed:

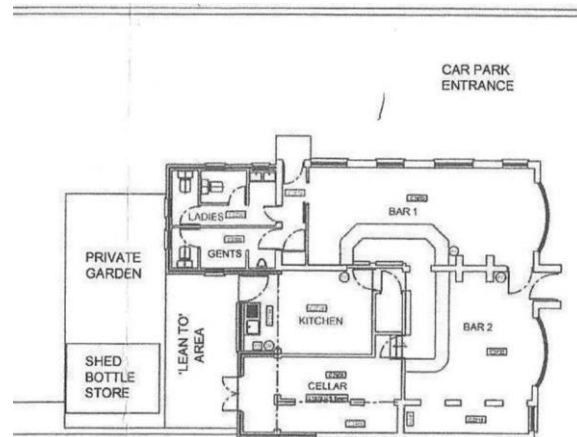
- It is ideally placed as an Asset of Community Value for Tebworth, and easily accessible to large centres of population

- It is already well supported by its locals who raised over £150,000 from a small village community
- It has the reputation of being a friendly and welcoming pub
- It has regular music events and the scope to extend the programme
- It has potential to increase its food and drink offerings to satisfy local demand.
- It has the potential for improvement on present facilities, especially the outdoor area.
- The community survey indicates there will be a considerable uplift in local trade when it is refurbished
- Once free to develop its own stock, there is significant potential to develop its real ale, craft ale and wine offerings.
- If it can still make a small operating profit as a wet pub, and in its current condition there is certainly scope for increased trade
- It has the potential to become an important meeting space for local community groups and charities.
- We hope to have regular social, music and charity events including real ale and cider festivals.
- We hope to attract customers from other establishments further afield who want a change from their own pub that might not be offering everything they want or who simply want an occasional change.
- There is a good opportunity to attract passing trade including visitors to nearby local attractions, walkers and cyclists.
- . Visitors will be able to enjoy a coffee, a drink or a bite to eat (with Wi-Fi access).
- The pub can be used for family parties, karaoke, and holiday celebrations.
- We hope to attract ale tourists and beer aficionados from further afield.
- Taking these factors into consideration and with steady development, there is a great opportunity to grow the turnover to make the pub commercially secure.
- As the pub and garden will be run by the Tebworth Community Pub Limited the majority of the surplus funds generated will be re-invested in the business.

The Property

Overview

The ground floor is accessed via a small porch to the front of the building with secondary access to the side of the saloon bar. The trading area consists of a two bars. Both bars have fire places on the side walls. The public bar has a dart board. Ladies and gents toilets are located via a door to the rear of the saloon bar. It has a domestic style kitchen and small utility area with external door to the rear yard.. The cellar and bottle store are accessed via the public bar servery with delivery drop access via the car park. The first floor consists of two double bedrooms, a single bedroom, a living room and a bathroom



There is scope to build a two storey extension, providing a new kitchen and toilets, and two letting rooms above. This would enable the size of the trading area to be increased.

Key Structural Survey Findings

A preliminary building survey was carried out in 2014. A brief summary follows:

Generally, the building was found to be poorly maintained with barely enough being done to allow the business to continue trading in the short term. A pub valuation survey has been carried out to establish the true market valuation as a going concern. Offers will be accepted subject to survey and, should our bid be successful employ the services of a chartered quantity surveyor to confirm the current state of the building .

The building services are generally in a poor state with the garden electrics in particular having the appearance of been added to and altered by amateur persons with little experience of current electrical regulations and although generally functioning in some parts should be considered unsafe until an electrical survey shows otherwise. The plumbing is copper pipework which, again while functioning, is poorly fitted and in need of upgrading. The urinal in the gents toilet has issues with the drainage, however all other toilets are functioning. The building requires complete re-decoration both internally and externally. There is a free standing smoking shelter at the front of the building, this needs to be replaced as it is in a dilapidated condition.

There is no mains gas in the village, currently the premises are heated by LPG central heating and two open fires. The boiler needs replacing, and consideration could be given to the installation of a wood burning stove.

The main roof is in generally sound condition other than a few missing tiles and some lead work that requires re-fixing. The flat roof over the WC's is watertight but could do with being replaced due to its age, however as it is envisaged that the existing rear extension is demolished this is a moot point. A flat roof has been added over the porch and one of the bay windows to the front. This is in poor condition and needs to be removed; it is anticipated that the leadwork to the top of the bay window would need repair.

The kitchen will need stripping out and will be refitted to enable a small scale food offer. In phase 2 of the development a new kitchen will be built, and it is envisaged that the existing kitchen reconfigured as a bar servery and utility area in order to enlarge the saloon bar

A simple domestic kitchenette should be created in the smallest bedroom (which is adjacent to existing services).

The windows are single glazed and generally in a poor condition, these need replacing, .

There is a narrow single story extension constructed on a raft to the side of the public bar which shows evidence of minor subsidence, this may need to be stabilized, or if costs prove prohibitive, demolished.

The garage will require testing for asbestos and will probably end up being dismantled and removed as part of the re-development of the garden area.

Any structural works that are required will need to be signed off by building control and to that end we will employ the services of an accredited inspector.

Refurbishment and Repairs

A sum of £45,000 has been included in the financial analysis for initial refurbishment, insulation and repairs based on a costed schedule of works . A further £80,000 has been allocated for demolition of the single storey rear extension and replacement with a two storey extension. A contingency of £20,000 has been allocated in respect of building works. Pledges of professional assistance from local designers and builders have been gained by the community which will assist in keeping labour costs down. Apart from some essential repairs insulation, and service testing, some

remodelling is required to improve the interior in order to create the right sort of ambience for both drinking and eating. A fully costed plan will be drawn up by the Management Committee once the pub is brought into community ownership and after an updates survey has been undertaken. We will carry out a public consultation and seek advice from our community shareholders as to how best to improve and develop the Queen's Head to ensure that it meets the needs of our patrons and our community.

Development summary

It is proposed that the development of the building will take place in two phases:

- Phase 1 – Initial repairs and redecoration
- Phase 2 –to demolish the existing toilets and extend the property to the rear to provide a larger kitchen, new toilets, and possibly 2 letting rooms above. . We understand that a planning application would be received favourably by the Parish Council, and note that planning permission for extensions of a similar footprint were granted to three adjacent properties in the conservation area.
- Community garden development – to raise £20,000 from a mixture of small grants, fundraising events and Crowd funding in order to develop an attractive sustainable, food producing garden with imaginative facilities for community learning and activities.

It is proposed to develop the community garden separately. A local Permaculture designer has offered services free of charge to assist. There is considerable interest in the garden and the village has a wealth of keen and experienced gardeners who are keen to assist.

Society Summary

We have formed a Community Benefit Society. The Society will be accountable not only to shareholders but to the community as a whole. The Society will be run in a way that listens to the wishes and concerns of local people irrespective of whether they are shareholders. Major decisions on investment and development will be widely consulted on.

Ownership

- The Society will be owned by a broad range of investors, hopefully with over half living locally. The Management Committee has decided that no individual shareholder can own more than £40,000 worth of shares.
- The pub will be tenanted to provide a guaranteed income and the rental will enable the payment of interest after year two plus an annual sum for reinvestment into the property.
- The garden will be managed by the society and income generated will be invested in the maintenance of the site as a whole.
- The Society will hold an annual general meeting for all shareholders and have further meetings during the year to discuss plans and progress.

Assets

The Society will own the freehold of the pub and its grounds. A sum has been allocated to purchase furniture and fittings and trading stock from the existing tenant. Over time the growing reputation and profitability will become further assets.

Financial projections and information

This section sets out the projected costs of acquiring the freehold of the Queen's Head and running it as a community pub. Figures have been taken from accounts, as well as cross-referencing the accounts of other community run public houses.

Queens Head - Financial Projections for Purchase - March 2017

The following projection is based on a worst case scenario - Crowdfunder stretch target is not achieved and VAT payable			
Based on			
Initial & Capital Costs		Finance Available (stretch fund not achieved)	
Purchase price	200,000	Community Shares - local pledges	150,000
VAT*	36,000	Initial Plunkett grant	2,000
stamp duty	2,000	Community shares - Crowdfunder	150,000
solicitor fees	2,000	Grants - community garden	20,000
premises licence	100	**Grant - Plunkett Foundation	35,000
pub valuation	500	**Local loans	5,000
survey -structure & services	900	**Bank Loan	45,000
Existing F&F	3,000		407,000
Existing stock in hand	500		
Phase 1 refurbishment costs	45,000	Finance Available (stretch fund achieved)	
Phase 2 extension costs	80,000	Community Shares - local pledges	150,000
Crowdfunding fees	12,000	Initial Plunkett grant	2,000
Launch party	1,000	Community shares - Crowdfunder	225,000
Staff training & certification	800	Grants - community garden	20,000
Marketing and promotions	2,000	Donations	3,000
Contingency (5%)	20,000	**Local loans	5,000
Total	405,800	Local fundraising	3,000
			408,000

Capital Cashflow - worst case scenario	Year 1
Initial grant	2500
Community shares Crowdfunded	150,000
Community Shares - local pledges	150,000
Grants& donations comm garden	20,000
**Grant - Plunkett Foundation	35,000
**Local loans	5,000
Bank Loan	45,000
Purchase Price	-200,000
VAT	-36000
Fixtures, Fittings, stock	-3,500
Other acquisition costs	-17,500
refurbishment phase 1	-45000
Refurbishment costs	-80,000
Staff training	-800
marketing and promotions	-300
Contingency	-10,000
Share withdrawals	0
Net Acquisition Cashflow	14,400

Operating Cashflow		Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Net profit CBS management	12,847	0	0	0	0	0	0
Tenants deposit	0	5000	0	0	0	0	0
Garden income	2,000	3000	4000	5000	6000	7,000	8,000
Rent Received	0	20,000	25,000	25,000	30,000	30,000	30,000
Operating costs	-4,000	-5,000	-5,000	-5,000	-5,000	-5,000	-5,000
Loan interest payable @ 5%	-2250	-2,250	-2,250	-2,250	-2,250	-2,250	-2,250
Loan/Mortgage Capital Repayment	-4,500	-4,500	-4,500	-4,500	-4,500	-4,500	-4,500
share withdrawals	0	0	-5,000	-5,000	-5,000	-5,000	-5,000
Share Interest payable @3%	0	0	-9,000	-9,000	-9,000	-9,000	-9,000
Net Operating Cashflow	4,097	16,250	3,250	4,250	4,250	11,250	12,250
Closing total cash balance	18,497	14,000	17,250	21,500	25,750	37,000	49,250

Revised projections March 2017										
Year 1 operating costs - based on community management until premises fit for trading										
			Weekly	Annually						
Sales	Net Sales	Sales Mix	62,000	614,000						
	Total Sales	100.0%	62,000	614,000						
Gross Profit	GP - Net	GP %	61,000	602,000						
	GP - Total		61,000	602,000						
Other Income	Machine Income		60	60						
	Other Income			60						
	Total Income		61,000	652,000						
Wages	Paid Bar Staff		610	61,360	3.0%					
	Kitchen Staff		60	60						
	Housekeeping & Cleaning		610	60,750	0.4%					
	Total Staff Costs		630	62,010	17.4%					
Variable Costs	Utilities	Services								
		Electricity	630	61,680	4.5%					
		Gas	625	61,820	1.0%					
		Water	625	61,380	1.9%					
		Oil	60	60						
		Telephone/Broadband	65	620	0.3%					
	Promotion & Marketing	Entertainment	650	62,600	2.5%					
		Satellite TV	60	60						
		Trains	625	61,380	1.3%					
		Facilities	60	60						
	Equipment	Hire	625	61,380	1.3%					
		Maintenance	610	620	0.5%					
	Maintenance	Buildings	625	61,380	1.3%					
		Gardening	60	60						
	Repairs	Waste Disposal	610	620	0.5%					
	Sewage (payable with water)	60	60							
	Cleaning Materials	60	610	0.4%						
Bar Supplies	Glasses	64	620	0.2%						
	Bar Sundries	65	620	0.3%						
	Janitorial	65	620	0.3%						
Fixed Costs	Insurance & Finance	Buildings	633	61,710	1.6%					
		Contents & Glass	612	624	0.6%					
		Public & Employer's Liability	610	620	0.5%					
		Dash Charge	63	615	0.2%					
	Professional Services	Soliciting	63	615	0.2%					
		Accounting	65	620	0.3%					
	Licences	Premises Licence	62	610	0.1%					
		PRS/PPL	612	624	0.6%					
		TV	63	615	0.2%					
		Other Licences/TEFs	60	60						
	Property Costs	Rent Payable	60	60						
		Business Rates	60	60						
		Depreciation	60	60						
		Lease Amortisation	60	60						
		Total Overheads		6405	621,057	20.2%				
Net Profit			6207	612,007						

Phase 1 development – Year 1

For the first 12 months of trading, it is envisaged that the pub will be continue as a drink-led pub with small hot and cold food offer. Capital costs required to create a full catering kitchen which would comply with current legislation and form a part of the phase 2 development plan.

In the period before the pub is refurbished to a sufficient standard for the attraction of quality tenants it will be staffed by a temporary manager and volunteers from the community.

- Finance has been set aside in the business plan for training staff to the required standard. (L2 Food hygiene/bar and cellar keeping/personal licence etc.)
- All staff working behind the bar will be required to complete a L2 basic Food Hygiene qualification
- Managers/supervisors will be required to complete a L3 Food Hygiene qualification
- During the refurbishment period the pub should open for at least 4 nights per week and weekend lunchtimes.
- The pub will be refurbished according to a detailed refurbishment plan which is in development.
- A range of qualified professionals in the local community have offered their voluntary service to assist with the renovations
- Renovations will focus on good environmental practice, aiming to substantially increase the energy performance of the building through insulation, low energy lighting, replacement of open fires with wood burning stove etc. ;and aim to use sustainable materials, reusing and upcycling where possible.
- As the refurbishment process progresses a small food offer will be developed.
- Some community services will be developed while the pub is being refurbished, particularly in the garden.

Pub tenure

After phase 1 improvements, during the first year of business, we aim to let the pub on an initial 3 Year Tenancy Agreement. Simplistically, this means that the tenant operates the pub as their business, running it in a way that they think will attract customers on a regular basis enabling them not only to trade the pub at a sustainable profit but enabling them to pay all their suppliers including the rent to their property landlord (Tebworth Community Pub Ltd). The pub will be free of tie allowing the tenant to make all their purchases from suppliers of their choice.

We deliberated hard on the question of the tenancy vs. management models; however, after extensive research and advice on experiences from some long standing community owned pubs we concluded that a tenancy model would

- Provide a guaranteed level of income, rather than an outlay on wages
- Allow us to start paying a dividend to shareholders sooner
- Substantially reduce management and admin time so we could focus on phase 2 works and garden development
- It will be the responsibility of the tenant to initiate changes required to continue delivering a competitive business offering.

The rental income will provide the revenue to maintain the building and pay interest to investors. Prospective tenants will be interviewed by the Management Committee and will be expected to present a business plan for growth which is in line with the community goals of the Society. The tenancy is envisaged to be attractive as:

- The rental will be set at a slightly lower rate than those of brewery chains
- Rent increases will be set at a fair level, encouraging the tenant to expand the business
- The offer of a free house will be attractive to tenants as they are able to buy most stock at cheaper prices
- The pub will be fully renovated with a manageable garden
- Activities in the Community Garden will draw in additional business

Trading hours would be extended to facilitate lunchtime opening. With these trading hours our sales projections are £3k per week, which should enable the tenant to pay an initial annual rent of £20k. During the start-up period, it may be that a rent concession period will have to be considered.

Share offer

Please see our companion Share Offer Document

Business SWOT Analysis for the Queens Head

Strengths

- Excellent location at the centre of the village
- A base of regular local customers who will quickly return to the Queens Head
- The commitment of the membership base to use what will be their business and who will encourage their friends and family to use the pub.
- The business will own the freehold and will not be tied to any particular brewery and is therefore free to negotiate the best deals for supply of food and drink
- The Society will appoint an experienced licensee as the tenant to run the business and take all the business risk
- The Society will have the secure income of rent from the tenant

Weaknesses

- The pub has lost many customers to other venues over recent years
- The profitability of the pub has declined over recent years
- The design and layout of the building does not lend itself to dining.
- The pub has not sold profitable snack foods over recent years and may need some remodelling over the short term

Opportunities

To build up a reputation starting from scratch with a new tenant and staff team

- To develop new customer bases including walkers, cyclists, people in search of locally produced beers and locally sourced good quality food snacks
- The property has sufficient space available for the kitchen area to be extended
- As the business will be established as a community enterprise, run for the benefit of the residents of Chalgrave, it will be able to access grant aid to assist with development plans

Threats

- Inability to obtain the necessary financing to conclude the purchase or development
- Unexpected repair costs
- Tenancy voids
- Once the business is established several shareholders could withdraw their shares at the same time, though the proposed rules would make this unlikely
- Interest rate increases
- Despite all the work and effort the continued economic downturn may lead to insufficient use of the pub and the business may prove to be unviable

Meeting the Weaknesses and Threats

Attracting lost business

Once the pub is owned by the village (and we expect over 100 members to be local residents), the commitment to use the pub and to encourage family and friends to it will be considerable. We also plan to conduct marketing/PR campaigns aimed at residents of surrounding villages and towns.

Consistent provision of competitively priced good beer, wine and snack food, and reliable opening hours will provide a good basis for re-establishing the reputation of the pub, which will then attract a steady flow of referrals by word of mouth from the local residents, from local B&Bs, and surrounding venues.

The new tenant will be required to offer a warm welcome to local groups ranging from local sports teams, to darts teams and other similar groups.

Profitability

As a tied pub, the tenant of the Queens Head has been required to purchase drinks from the brewery at prices set by the brewers, coupled with a rental, which has been linked to business volumes. It is estimated that a freehold pub, with no ties, can save as much as 40% on beer costs. The rental charged to the new tenants by the Society will be set at a relatively low level to encourage the establishment of the business and will only be increased as the directors deem it to be financially viable for the tenant. Whilst the Society will derive its income from the rental, it will be a non-profit organisation with fewer financial demands from its shareholders.

Improving the layout

Although not included in the financial forecasts, In time and as resources permit, it is envisaged that the existing bars could be remodelled to increase capacity including providing the rear of the pub with a Conservatory. The existing kitchen could be expanded towards the rear of the building to provide the required snack food preparation area. The current toilets can be renovated. Detailed plans have not yet been drawn up, but this can be undertaken in due course by qualified professionals and would be subject to shareholder approval, as would the entering into a further mortgage or loan scheme to finance this. This development is also subject to approval of the planning application by the local authority building consent where necessary.

Inability to attract sufficient financing

If the proposed enterprise is unable to raise the necessary finance, then the purchase will not go ahead. No share certificates will be issued until the full initial financing has been put in place. If insufficient capital has been raised, the share issue will be halted and all those who have invested will have their investment returned to them.

Unexpected Repair Costs

A pre-acquisition survey will be carried out and will be evaluated for potential problem areas. The financial impact of unanticipated repairs can be mitigated by using volunteers from the community together with the possibility of grants or other sources of cheap finance.

Shareholder withdrawal

The interim management team will aim to sell shares and attract financing that will lead to a sum being raised that will adequately provide for all the budgeted costs of the acquisition and initial redecorating and refurbishment. Cash surpluses will be retained where possible to generate sufficient cash balances to enable withdrawal of equity subject to the requirements of the business. If a shareholder gives notice that they wish to withdraw shares then shares of the same value will be marketed and can be acquired by new or existing shareholders. Ideally, new shareholders will be found to replace those shares that are to be withdrawn. If they cannot be replaced then the reserve fund can be utilised. Our financial forecast allows for an annual withdrawal of £5000 in shares per annum after year 3.

Interest rate increases

The threat of increased interest rates can be reduced by the use of fixed rate long term borrowings and the use of discretion in setting the rates to be paid.

The business is unviable

If the prevailing market conditions are so unfavourable that, despite a sound business plan, vigorous and sustained marketing and the support of local user/owners, the business does not develop in the way anticipated, then the Management team will be forced to close the pub, sell the assets and repay the original investors, with any residual assets to be used for the benefit of the community. This is not an outcome that we seek, but this possible course of action should give investors the security they need in the unlikely event of the enterprise being unsuccessful.

Contacts

By post: The Secretary, 2 The Lane, Tebworth Beds LU79QB

By phone: 07775851275

E-mail: Roger.Masters@btinternet.com

Website: www.savethequeenshead.org

In Conclusion

We take in our business plan, and we hope that it will inspire you to invest (please ensure you have read the accompanying Share offer document prior to investing). We hope you will join us in this exciting and rewarding venture.

Thank you for your interest,

The Tebworth Community Pub management team

Management Team - acknowledgements

Thanks to The Pub Is the Hub, The Plunkett Foundation, CAMRA and our local MP Andrew Selous for their continuing support.. We have also received tremendous help from the Management Team of The Village Swan at Ivinghoe Aston. Finally, thanks to our community in the Parish of Chalgrave, for pulling together and making this happen!

Appendix 1 Particulars of sale

Queens Head

The Lane, Tebworth, near Leighton Buzzard
Bedfordshire LU7 9QB

Public House with continued licensed use or conversion/development potential
For sale by private treaty – offers invited – guide price on application



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Description

- The property is situated on The Lane in Tebworth and lies approximately 5 miles to the east of Leighton Buzzard and 4.5 miles to the north of Dunstable. The property benefits from a prominent road fronting position, bordering Wingfield Road, The Lane and Hocklife Road. The property is situated in a small village with primarily residential accommodation surrounding it.
- This is a predominantly two storey, part rendered brick property under a pitched tiled roof. There is an additional single storey rear extension, with a flat roof.
- The front door leads into the lounge bar on the left providing circa 20 covers. There is a smaller bar area on the right of the entrance providing circa 18 covers. The small kitchen is directly accessed from the lounge bar. The customer WCs are situated to the rear of the smaller bar. The cellar is accessed from behind the bar area.
- Upstairs provides manager's accommodation with three bedrooms and one bathroom and dining/living area.
- There is a car park to the rear for circa 12 vehicles and beyond that a large grass area/beer garden.
- Vacant possession will be available upon completion.

Development Opportunity

There is potential for continued use as a free house or potential residential redevelopment, subject to planning permission. There will be a development claw back covenant placed upon the title to the property (if sold for continued licensed use). In which case, if the site is developed in whole or in part for alternative uses in the next 20 years, an uplift payment over and above the existing use value will be due to Charles Wells.

Planning Authority

Central Bedfordshire Council - www.centralbedfordshire.gov.uk Tel No – 0300 300 8000

Site area **Tenure** **Rateable Value 2010 / 2017**
Approx. 0.28 acres (0.11 hectares) Freehold £7,300 / £1,500

Energy Performance Asset Rating

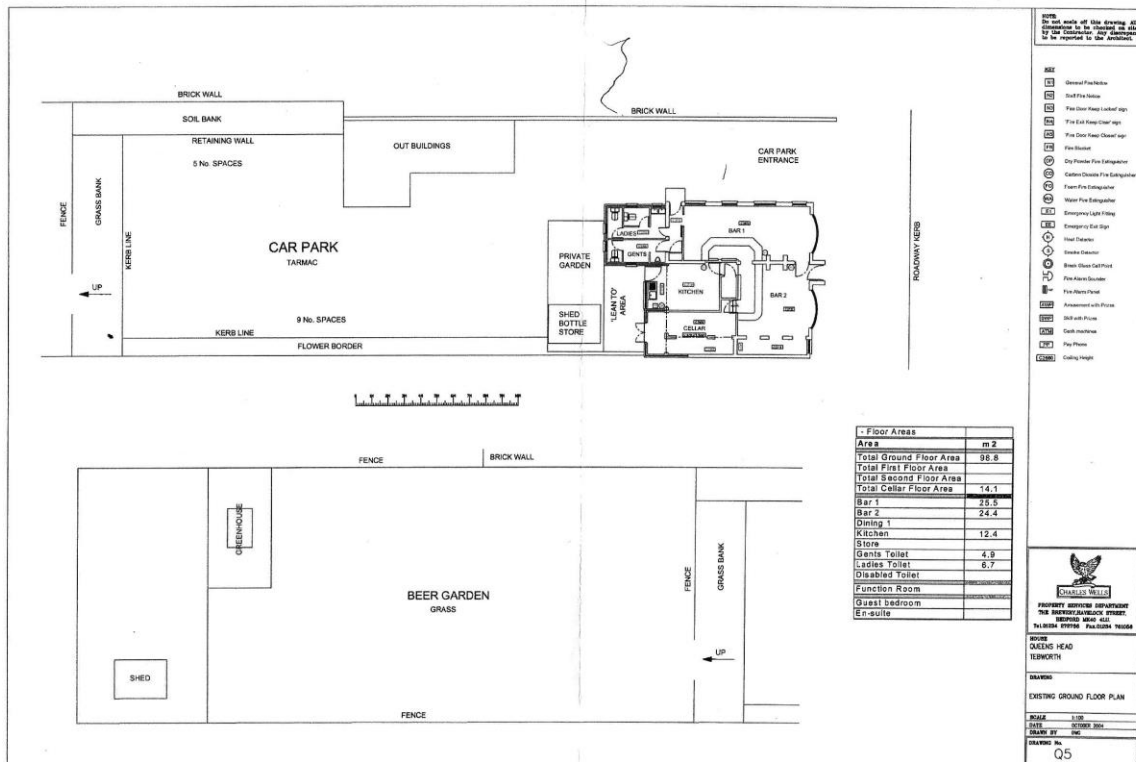
"D" – 93 CO2 emissions – copy of full assessment available on request.

Enquiries & further information and for details regarding viewings please contact:

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Marketing Plan

There is no other pub in the village and there is therefore no direct competition to the Queens Head. However, there are numerous pubs in the neighbouring villages, which, whilst they are some distance away, are competitors for the market. Visitors to the area looking for a country pub to walk to or for a meal out will consider options across a wide area.

The plan is to market the Queens Head as a homely, traditional village pub, which fully meets the locals', tourists' and day trippers' idea of a country pub. This involves good quality beers, brewed locally as much as possible, good quality snack food, also sourced from local suppliers, open fires, a friendly atmosphere and traditional pub entertainment.

The aim is to meet the needs of the community for a MP and County Councilor surgery, meeting place and venue for events, and to attract visitors. Whilst the villagers will return to the pub quickly once it is re-tenanted, it will take time to build up the tourist and visitor usage. Reputation will spread most effectively by word of mouth and must be built on good quality provision and service. Nevertheless, regular marketing is vital to supplement this.

The marketing of the business will be a matter for both the Management team and the tenant. Whilst the lead responsibility will rest with the tenant, the Management team will be looking to appoint a tenant who will work in partnership with them in marketing the Queens Head and who will pursue the following marketing strategy:

- Publicity prior to the re-tenanting will focus on the campaign to raise the funds to acquire the pub. Nevertheless it will draw public attention to the plan to purchase and re-tenant the Queens Head
- There will be an opening event that could, because of our local connections with various media, attract press and local TV/radio coverage of the story – “Villagers take over their own pub”.
- This will be supplemented by advertisements in the local (Leighton Buzzard) press and village bulletins and newsletters in the area.
- Regular leaflet drops to the entire village which advertise the pub and its programme of activities (darts, quizzes, music nights, seasonal events and so forth)
- Regular advertisements in the press advertising the same programme and stressing the traditional village pub welcome that you will find at the Queens Head. Holding events that celebrate local food and locally brewed beer and advertising these in the specialist press (CAMRA)

Building up the business

Rent

Our tenant will be required to produce a business plan which demonstrates how they intend to grow the business. However, it is the Management Teams intention that the rent is agreed in advance for the first three years in order to give the tenant both security and an opportunity to reap the benefit from increased sales, thereby giving them every incentive to develop the business. Following the end of year three, a formula for reviewing the rent will be agreed with the tenant prior to their entering into a further tenancy agreement. This formula will ensure that the tenant has sufficient incentive to grow the business.

Tenants are typically expected to pay rents that are equivalent to 12% to 15% of the turnover of the business. It is our intention to set a rent level which provides sufficient income to allow the Society an eventual return to and low enough to attract an experienced tenant to start up a new business. This will give the Society sufficient funds to build up some reserves.

Sales

It is anticipated that the new tenants will achieve sales in excess of those achieved over the past few years. Of late, the opening hours and availability of snack food have been erratic and unpredictable, driving away both regular and passing trade. In the past the pub was much busier with regular darts and dominoes and teams along with regular Friday night social events. We therefore believe that the sales figures over the last three years are not true reflections of the income that the Queens Head will generate and that these sales figures can be improved upon for three reasons:

1. The fact that the pub is owned by the local community will be a big incentive for villagers to support their own business and to encourage their family and friends to use it.
2. The tenant that we appoint will be expected to drive up the sales of food from the current 0% of sales to at least 25% of sales over a three year period. Increasing snack food sales is a major player in making the Queens Head a viable business and the tenants that we appoint will have to demonstrate how they plan to achieve this.
3. The tenant will have free rein to purchase all their raw materials wherever they like, as well as setting their own pricing, enabling a far more profitable model than the previous tied system.

This is clearly a challenge that the new tenant must rise to, but providing that good quality, well maintained beer and good quality snack food is served, the demand in the locality is significant, and this local demand would be supplemented by tourists and visitors to the area.

Once we have appointed a tenant they will be responsible for running their own business within our building. They will therefore meet all of the other running costs from the income that they make from sales. As it is a new business, and they are starting from scratch, the Society will assist with marketing and getting the building ready to re-tenant. Following this, the tenant will be responsible for running the business within broad guidelines set by ourselves. The tenant will have accommodation in the rooms above the pub as part of the lease agreement.