Summarised Business Plan

20/4/26

Semington Community Benefit Society Limited

A Community Benefit Society and Limited Company registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014

Registration number: 9716

VAT reg: xxx xxxx xx

www.savethesomersetarms.co.uk

Original drawing by David Cobley, 2026

The Somerset Arms, Semington

The beating heart of our village community

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Summary

We are seeking investors in the Semington Community Benefit Society Limited (the Society) which plans to buy, renovate and then re-open the last remaining pub in Semington – the **Somerset Arms**. Our village pub has been the beating heart of our village since at least the 18th century and we are determined to secure its future for the good of our community.

Our vision is for a thriving traditional village pub with roaring fires, a range of good beers, wines and ciders, good quality food, appealing outside spaces and more accommodation, including space for gatherings to bring us together once again. Our village pub will become a vibrant community hub owned by the community.

We plan to recruit an experienced tenant to run the pub and will work closely with them to make sure the pub meets the needs of its customers and builds up a solid customer base and excellent reputation.

This is our last chance to save the Somerset Arms and secure its future.

You will be able to buy shares in the Society, have a stake in the pub and a say in how it is run and developed. Whilst this is not a financial investment in the traditional sense, you may receive modest interest payments if and when the pub is trading successfully. Shares will be available later in the Summer.

We are hoping to raise enough in an initial share offer to buy the pub freehold and begin renovation work. The pub has been closed for 3 years and will require significant investment to bring it back up to standard. It is likely that we will need to issue a further share offer to complete the renovation and fully re-open the pub.

As a member of the Society, you will receive regular updates on how the pub is performing and be invited to attend Annual Members' meetings, with the chance to vote on important matters.

You will be investing in the future of Semington and leaving a legacy for future generations to enjoy.

This summarised version of the Business Plan sets out our broad plans for making this happen. The full Business Plan and Share Offer Document in the Summer will fully explain the nature of the investment you would be making and you should read these carefully before making an investment decision.

For now, we are only seeking 'pledges' – i.e. an honest indication of how many shares you will want to buy when they are available.

Please see the pledge section on our website: www.savethesomersetarms.co.uk

History and importance to community

The Somerset Arms public house sits on the High Street in the centre of Semington village, Wiltshire. It is a grade II listed building named after the Duke of Somerset who once owned the land. It operated as a coaching Inn from the mid-18th Century and became the last pub in the village in around 1960.

The Kennet & Avon Canal passes through the village a short walk north of the Somerset Arms. Semington also provided the junction where the Wilts & Berks Canal joined up with the Kennet & Avon Canal until it was abandoned in 1914.

With its proximity to the canal, the Somerset Arms has provided villagers with a social hub for many decades as well as providing boaters, walkers and passers-by with sustenance in historic surroundings.

The nearby West Wiltshire Crematorium provides another source of customers for wakes and related gatherings, many of which occur during the day.

Semington also forms part of the National Cycle Network with two national routes passing the village.

Demography

Semington village, together with Little Marsh and some outlying rural properties, had an estimated population of 1,016 in 2024 (up from 830 in 2001), with an average age of 47. About 1 in 6 people are below age 18 and 1 in 4 over age 65.

The 2021 Census recorded 432 households and 68% own their property with the other 32% renting (15% social and 17% private).

Semington is expanding. Residential development of the former workhouse, hospital and grounds has provided 49 new homes, new estates to the south of the village, including St Georges Mead is providing 43 new homes, development of the pill box field will provide a further 26 new homes and there are an additional 48 homes, plus a shop, planned for the Auction Field to the south west of the village. This is an increase of 117 homes, excluding the hospital, scheduled for completion in the next few years, representing a 27% increase in households in the village.

What do villagers want from a rejuvenated pub?

The success of a pub in Semington will depend on strong local support, including villagers and canal users. We have clear evidence that it will be forthcoming.

In summer 2025, we conducted a survey to which 247 people responded. An overwhelming 85% rated a village pub either essential or very important. Over 75% would support a community buy-out of the Somerset Arms and less than 4% would oppose it.

An extraordinary 130 people were enthusiastic enough to offer their time and effort in a range of roles, from fund-raising to refurbishing the pub when it was bought for the community.

90 respondents said they would consider buying shares, with another 70 answering "Maybe."

It is clear that, despite the valiant efforts of its licensee and staff, the Somerset Arms had lost some support as it struggled to survive. While some villagers were happy with the pub, and many more missed it when it was gone, others criticised a run-down feel, lacking in warmth and with inconsistent standards of food.

More than 58% wanted a future pub to serve good quality food, including "specials" and Sunday roasts. 28% favoured a more traditional pub, limited to bar meals. And less than 5% wanted a gastropub. Almost 70% wanted meals to be available both at lunchtime and in the evening, and 56% had an appetite for morning coffee and cake.

80% would expect social events like quiz nights and curry evenings, with a similar number wanting the pub to host village events like pool and darts team fixtures. 69% thought the pub should host village clubs and societies, e.g. walking groups. 71% wanted it to sell basic provisions and local produce.

In conclusion, the survey showed that local support for a pub is very strong, and that many people are prepared to contribute substantial funding and/or practical support to make it happen.

Social & Community Benefits

Semington has a village hall with a small bar, a church, a football club and a primary school. These facilities play a part in community cohesion and are well supported. Volunteers organise a summer fete, a winter fete, the annual Semington Slog and other occasional celebrations, such as coronation street parties and a soap box derby. Building on all of this, restoring our last village pub will bring strong benefits for the community.

Social Infrastructure and Wellbeing

The Somerset Arms was a key part of the local community, allowing people to meet for a drink or a meal as well as being a place around which village events have been organised. Semington has limited access to services and currently has no shop or post office and public transport is limited. The Somerset Arms played a crucial role in reducing social isolation, particularly among older residents and those without access to private transport.

Access to regular social contact enabled by a local pub contributes significantly to mental health and wellbeing, supporting a sense of community within the village and reduced isolation especially for elderly residents.

Community Cohesion and Inclusion

The Somerset Arms is a place where everyone in the village can feel welcome, including long-standing residents, new arrivals, families, and the elderly. By bringing people together, it helps build a strong sense of community and supports the long-term future of the village.

Economic and Employment Benefits

An active and vibrant pub contributes to the local economy through direct local employment, use of local breweries, farmers, trades people and services, and through the attraction of visitors, including walkers, cyclists, and canal users.

Rural Accessibility and Transport Considerations

The limited public transport and the presence of a local pub reduces the need for residents to travel by car for social and leisure activities, supporting sustainable travel objectives and improving accessibility for residents who do not drive.

Cultural and Heritage Value

The Somerset Arms is the one remaining public house in the village. There is a long-standing pattern of community use and continuing to function as a pub supports the preservation of village character and contributes to the intangible heritage of the village.

Alignment with Planning Policy Objectives

The purchase and re-opening of The Somerset Arms is in alignment with National objectives to support the vitality of rural communities, policies seeking to retain community facilities and wider public health, wellbeing, and social sustainability goals

With the establishment of the Society the members and supporters will promote and encourage activities that will:

· Have a positive impact on the village of Semington and the wider community

· Facilitate a structure that enables members to have a say in how the Society provides a positive social impact

· Provides a point of difference to competitors and supports the local community

In a village the size of Semington, a pub is more than just a business—it is social infrastructure. The loss of a local pub often leads to increased isolation, fewer social interactions, and reduced village vitality, while a thriving pub strengthens community wellbeing, economic resilience, and rural sustainability.

Market overview

Research highlights that across the country eight pubs per week closed in 2025, the total value of the pub market is forecast to rise to £26bn by 2028 and average growth for the market for 2026 is forecast at 1.9%. Pub closures are predicted to slow significantly in 2026 with the number of pubs becoming stable by 2027.

The pub sector faces many challenges, including increasing food costs, rising energy costs, supply chain problems, high and increasing costs of labour, inflation, lower frequency of customer visits and concerns about rateable value prospects

Many pubs are becoming more successful by:

- meeting changes in drinking habits by widening and tailoring choices, eg craft beers, non-alcoholic drinks/mocktails, high margin drinks (e.g. cocktails)
- providing higher quality food offerings
- “Wet led” events programming: live music, quizzing, sports screenings, beer festivals
- encouraging loyalty, perhaps through loyalty programmes: promotions (e.g. wine/beer tasting, special menu nights), invite events, customer communications and engagement
- providing wider community services: post office, café, meeting rooms, groceries
- embracing technology: quality website, marketing, customer communications, bookings, ordering/paying, use of off-peak power

As large pub companies have been closing the doors on many local pubs, community owned pubs have become increasingly popular. Since the first one opened in the 1980s a further 200 or so have opened across the country. Although most community attempts to rescue their local pub end in disappointment before the first pint is poured, of those that do make it to their opening day, well over 95% are still thriving 5 years later.

The overall message is that despite the number of pub closures there are some green shoots where pubs, often with strong community links, are trading successfully and even prospering.

But the challenges of raising enough money to buy and renovate a pub, and then making the business profitable are formidable. It will not be easy, and we will need long-lasting community support and use.

The building & it’s general condition

We still await a full structural building survey report and the commercial ‘red book’ valuation report. These will be available soon and will give a much clearer indication of the likely renovation costs.

From a tour of the premises, however, we can see that there are a number of priorities to get the pub into a fit state for opening.

- Securing the outer shell – repairs to roof, chimneys, windows and stonework
- Insulation and utilities- new insulation, new heating, new electrics, new plumbing, improved drainage & sewerage
- Kitchen refit – some re-use should be possible, but needs bringing up to standard
- Cellar refit – refit of lines, pumps etc as needed
- Internal repairs – various ceilings, walls and timberwork need repair and decorating
- New fixtures and fittings as needed
- Reconfigure manager’s accommodation – too large at the moment and in need of modernisation
- Create more letting rooms – there is space upstairs, currently part of the manager’s accommodation, to add more letting rooms to the existing three
- Create events/meeting space – there is space to create a large meeting room
- Improve outside space – the front and rear gardens could be reconfigured and improved

Whilst we would like to undergo a complete repair and refurbishment in one go, it is more likely that we will raise enough to buy the pub and begin renovations, and then have to raise further funds to complete the job.

This suggests prioritising the things necessary to get the pub open for food and drinks. A suggested phasing is described below, but this may change as we get more information.

> Phase 1 - secure outer shell, insulation, new electrics, new plumbing, windows, improve drainage, install heating, cellar fit out, plastering and decoration in public areas, refurbish the kitchen and dining area and add necessary fixtures and fittings. We could open the pub for wet sales and food/dining at this point.
>
> Phase 2 - reconfigure the upstairs accommodation and associated utilities to create more letting rooms, create meeting/function room, plastering and full decoration and improving the outside space. We could open for accommodation and community meetings/groups at this point

Very early estimates of time taken and cost have been made but these are pre valuation, pre structural survey and pre builders' quotes. The full Business Plan will set out our plans and costs fully.

Funding strategy

The Somerset Arms was closed in March 2023 and was listed as an 'Asset of Community Value' by Wiltshire Council in May 2023. For about 18 months the owners, the Wellington Pub Company, tried in vain to attract a new tenant. In November 2024 the owners notified the council of their intention to sell and put it on the open market with the Caldecotte Group. The village was not in a position to express an interest in buying it so the owners were given 18 months to try to sell it without having to wait for a village bid. That period runs out on 1 May 2026 and our intention is that this time the village will be able to express an interest in buying the pub. For the six months that follows the owners will be unable to sell before considering the village offer.

The asking price has been reduced from £450,000 to £395,000, plus VAT. We hope to be able to negotiate a lower price. The Society will apply to be registered for VAT so should be able to reclaim most of the VAT paid on purchase, although reclaiming VAT will take some time.

We expect the full refurbishment costs to be significant, and perhaps as much again as the purchase. This will depend on what the full building survey says, any restrictions imposed by the listed buildings officer, the competitiveness of bids from building firms, the proportion of work undertaken by professionals as oppose to volunteers and a number of other factors.

The renovation costs will also depend on the extent of our ambitions, how much change we want to make to the layout of the pub, how many new letting rooms we want to create, the standard of work and any new fixtures and fittings.

Community Share Offer

Our primary means of raising funds will be through Community Shares. These shares are intended to be a social investment and NOT driven by a desire for a financial return. The real payback is to ensure that a thriving and sustainable community owned business is established.

Full terms & conditions for the shares will be found in the Share Offer Document later this year.

The share 'pledge' exercise being launched now will provide a better indication of how much we might be able to raise when the share offer itself is launched. The share 'pledge' is common practice for communities seeking to buy their local pub and is not binding. We are asking people how much they expect to invest when the share offer is launched.

As we get a clearer picture of the share 'pledge' exercise we plan to open negotiations with the Wellington Pub Company through their selling agents, the Caldecotte Group. These negotiations will also be informed by the professional valuation of the premises and the building survey. We plan to have sufficient evidence to feel confident in making our offer.

Should we feel confident enough that (1) the share offer will result in sufficient funds to buy the pub and (2) that through further fund raising we stand a good chance of being able to renovate the pub, then we will proceed and hope to agree a price with the owners. We hope to agree a purchase price before issuing the share offer and raising funds.

Contingency

Should it become clear at the end of the pledge stage that there is insufficient interest then we will have two options: extend the pledge while we build more support or consider withdrawing our interest and accepting that the only remaining hope for the pub will rest with the Wellington Pub Company finding a buyer to take it on. If no one comes forward then the risk is that it will eventually be sold to housing developers willing to take a chance on Wiltshire Council approving a change of use to residential.

The share offer itself will be open for 4 to 8 weeks, but may be extended. The full details will be included in the Share Offer Document. We will be honest and open about both the benefits and the risks for investors.

If we raise enough to buy the pub, then we will proceed to the next stage. This will involve a number of key activities in the early months after purchase:

- A clear out inside and outside the premises, using volunteer help
- Further efforts to secure grant funding together and fundraising through a variety of other means.
- Development of a further share offer (if needed) to fund the renovation.
- Finalising the internal design of the premises, seeking the permissions needed and planning the phasing of renovation work
- Organising builders' quotes for the necessary renovation work

Should we be successful in raising enough for sufficient renovation work to be able to open the pub, then we will do so, first for wet sales and food, and then continue to fund raise and build up reserves to make further improvements later.

If we buy the pub but fail to raise enough to renovate and open it, then we will have to sell and pay back shareholders from the proceeds. We would pay back as much as we possibly can but there will have been some legal and other costs and investors will have to accept the risk that they may not be repaid in full under this scenario.

We are using crowd funding to provide 'start up' funds and to meet some of the early expenses that occur prior to the share launch, for example website hosting fees and marketing materials. The Semington parish council have kindly made some funding available to fund early expenses like Plunkett UK membership, the Red Book valuation and an updated Energy Performance Certificate. We are very grateful for their support.

Community Share Terms & Conditions

Full details will be made available at the time of the share offer, but are likely to include the following:

- Shares will be £1 each
- This is a 'one member, one vote' arrangement
- Minimum investment £250, and £100 for under 18s
- Maximum investment £50,000
- Only open to over 16s
- Shares are withdrawable only after 3 years and only if funds are available, so subject to Management Committee approval
- No dividends will be paid
- Modest interest payments can be paid, subject to Management Committee approval
- We are not tax experts but believe there are no tax benefits available to investors. Investors should seek their own professional advice on this.
- Share incentives may be offered and are under development
- Share capital is at risk, and should the venture fail and the pub have to be sold, there is no guarantee that investments will be repaid in full.
- The share offer itself will be open for 4 to 8 weeks, and may be extended.
- We will be honest and open about both the benefits and risks for investors.

Marketing, Communications & community engagement

Community engagement began in 2025 with the village survey, public meetings, local radio interviews, local press articles, village newsletter articles and by word of mouth.

For the share pledge, and later for the share offer, we are ramping this up significantly. Our new website www.savethesomersetarms.co.uk is the focal point for all relevant information and we are using various social media channels to spread the word.

We are holding a share pledge launch event locally and will follow up with stalls at, for example, local beer festivals, the Semington Slog and our Summer fete. We will be armed with supplies of leaflets, share documentation and other paraphernalia.

We are embracing local radio, print media and local/regional TV interest in an aim to gain as much reach as possible. Only by making our story widely known will be able to secure enough interest and investment to succeed.

We will tailor our approach to different audiences such as local residents, residents of nearby villages and towns, friends of Semington from further afield, local businesses, potential international investors, cyclists, walkers and boaters etc. There are numerous Facebook groups and other online communities with active communities interested in, for example, Wiltshire pubs, canals, real ale, cycling etc - each presenting an opportunity.

Local Businesses will need a targeted and tailored approach. We hope to be able to secure significant investment and other forms of help from employers in the area and this is likely to need one to one meetings and careful thought about how they might help us and what might be in it for them.

Marketing will not stop when the share offer closes. If we manage to buy the pub, then we will have the opportunity to begin getting footfall back on the site with pop up licensed events or beer and food festivals.

Our marketing efforts will continue after the pub opens and we will work with the tenant to promote the Somerset Arms as widely as possible.

Legal Structure

We have registered as a Community Benefit Society (CBS), which is an incorporated, not for profit organisation, registered with the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014. This model was chosen because the organisation will be run for the benefit of the wider community. Full details can be found on and downloaded from the Mutuals Public Register:
https://mutuals.fca.org.uk/Search/Society/32251

The FCA states that “the conduct of a community benefit society’s business must be entirely for the benefit of the community”. Any profit made by the Society in the future must be re-invested for the benefit of the community in line with our objectives.

Society Rules

Our Society was registered on 23rd February 2026 (FCA registration number 9716) using a set of pre-approved model rules developed by Plunkett UK, a national charity which supports people in rural areas to set up and run a wide range of businesses in community ownership.

The rules include a Statutory Asset Lock which restricts the use of the Society’s assets, in particular:

- The only payments that can be made to members are to repay the value of their withdrawable share capital and to pay interest on that withdrawable share capital.

- The residual assets of the Society on winding up must be transferred to another organisation whose assets are similarly protected with an asset lock.

The Society is a community-led, democratic organisation that operates on the principle of one member one vote, irrespective of their shareholding. Membership is open to anyone over the age of 16. Each member then has one vote to exercise at Members' Meetings, including the Annual Members Meeting. Members own and control the Society, exercising their ownership rights by electing members to the Management Committee. Members can stand for election onto the Management Committee.

Corporate bodies and associations who support our objectives can also become members. Corporate bodies must nominate a named representative and unincorporated associations must have a nominee named in the Member Register to represent them at Members' Meetings.

A copy of the Rules of the Society can be downloaded from our entry on the FCA Mutuals Register: https://mutuals.fca.org.uk/Search/Society/32251

Governance

The Management Committee is responsible for managing the affairs of the Society on behalf of the membership and reporting back to the membership at Members' Meetings in the same way as the Board of directors is responsible for managing the affairs of a limited company.

The Management Committee shall comprise not less than three and not more than 12 members. Members of the Management Committee are elected by the Society's members and hold office for 3 years. It is a voluntary role.

Transitional rules allow for the appointment of Management Committee members without election on start up, but all such members will need to stand for election at the first Annual Members' Meeting.

The Management Committee will meet regularly. They will organise an Annual Members Meeting in order to provide progress reports, financial reports and outline future plans to Members.

The Management Committee will be responsible for:

- Recruiting and overseeing a Pub Tenant, who will manage the Pub operations and any staff
- Raising capital and the purchase and refurbishment of the pub
- Monitoring and managing the society's financial affairs
- Managing the relationship between the Society, its members, the pub tenant staff and the community
- Ensuring that the Society complies with all applicable regulations
- Encouraging further activities to benefit the community, as appropriate

Management Committee

The Semington Pub Action Group (SPAG) formed as a steering group in early 2025 under Ian Williamson's leadership. SPAG coordinated early tasks such as the village survey, liaison with the parish council, raising awareness, consulting other community pubs, setting up a legal entity and beginning the work on business planning, fundraising, share documentation etc.

With the Community Benefit Society established, the work carried on, led by the Management Committee, whose members will serve until the first Annual Members Meeting and will then need to stand for re-election.

The Society is grateful for the hard work and enthusiasm of everyone involved in trying to resurrect our village pub. Without the help of committed volunteers this would not be possible.

The management team:

Ian Williamson is the chair of the Society. He has lived in the village since 2010 when he set up the Semington Dock boat repair business. Following an MBA from Oxford Brookes, he worked for Unilever, for ICI in the UK and abroad, and latterly in the recycling industry. He is a keen volunteer restoring canals, Rotarian for 30 years, Cub Leader, RFU coach supporting girls playing rugby, Land Rover hobbyist and beekeeper. He was involved with the neighbourhood plan which recognised the need to protect the Somerset Arms.

Andy Cobley is the vice chair of the Society. He has lived in the village since the mid 90's. He is passionate about the area and reopening the Somerset Arms for the whole community to enjoy. Before retiring he was a headteacher in a residential special school before going on to oversee operations and major projects for a leading education company both in the UK and the Middle East. Previously owned and ran a guest house in Wales. He enjoys DIY and looks forward to getting his hands dirty clearing and helping refurbish the pub!

Glen Watson is the Secretary of the Society. He moved to the village 7 years ago. He is passionate about saving the pub as a place for locals to meet, make friends and enjoy a party. After a career in the civil service, culminating in project managing the national Census and running the Office for National Statistics, he became a self-employed landscape gardener and now enjoys woodworking, working at music festivals, volunteering in mental health and helping organise and set up village events.

Mark Dallaway is the Treasurer of the Society. He qualified as a Chartered Accountant with Price Waterhouse in Bristol. He joined Devizes based Relcross where he was Managing & Finance Director for over 25 years. He has previously been Treasurer of Cumberwell Park Golf Club and Corsham Hockey Club. Moved to Semington in 2002 and enjoys walks and cycle rides along the canal and by-ways. He is keen to restore the Somerset Arms for the whole village.

Hugh Turnbull retired to Semington in 2018 after 43 years in Wales. He was chief reporter of Western Telegraph in Haverfordwest and head of News at Swansea Sound before becoming a reporter, presenter, and producer for BBC Radio Wales. He now lives at St Georges Court and is a member of the Semington Neighbourhood Plan Steering Group.

John Hurn has been part of the Semington community for more than 30 years. After extensive travel across the globe, where he participated in several large-scale construction and engineering projects, John returned to the UK. His professional work has included developing baggage handling systems at airports, as well as engaging in barn conversions and the adaptive reuse of buildings. Additionally, John serves as a trustee at the Independent Living Centre, supporting local community resources.

Peter Smith has lived in the village since 2014. He enjoyed being a parish councillor for 10 years, almost five of them as chair. He wants to see the Somerset Arms reopen as a thriving community pub. Before retiring, he was Wiltshire CC's Corporate Services Director. His interests include growing vegetables, live music, Oxford United and Morris dancing.

Richard Bruges was born in the village and returned in 2012. His career has focused on product development and leading innovative businesses, giving a practical perspective on strategy and building businesses. He is passionate about protecting Semington's rural character and community, supporting local initiatives, and ensuring the village thrives for future generations. Outside work, he enjoys managing his smallholding and organising events such as the village fetes.

Clare Emery Read is a boat dweller and part time village resident. She was a frequent customer of the Somerset Arms and has over 22 years of experience in the hospitality trade including hotels and pubs. She had her own public house at the age of 18. She went on to manage several award-winning establishments in Bath and the surrounding area. She has many years' experience working in substance misuse and homelessness and now works within the local council in the housing sector.

Rhys Evans supports the group on data management and GDPR. He works at Microsoft, with a background in strategic software sales and previous experience at OneTrust, one of the world's fastest-growing tech companies. He moved to the village in 2025 to swap city life for something more community-focused. Reopening the pub is about creating a proper village hub - a place to meet, unwind, and make memories after a long day. He's passionate about helping bring that back to life.

Liz Williamson is a GP and worked in Melksham before moving to the Hospital at Home in Swindon. Married to Ian, they extensively renovated the canal lock house, where they live with their family and a menagerie of cats, chickens, and pigs. Canals featured in her childhood holidays and later in volunteering to restore derelict waterways. She loves real ale, good food, and Morris dancing.

Daniel Jesse provides support on Media and Comms to the group. He moved to Semington in 2024 from Melksham. He has 25 years' experience of IT Support and previously worked for Wadworth Brewery for thirteen years. Along with his family, he keeps himself busy by running and cycling

Kaylee Winchcombe provides social media support. She grew up in the village and is a photographer, artist and IPA lover with a background in marketing for public sector and arts organisations. She is excited about helping rebuild a space for the community to come together

Conflict of Interest

The Society will keep a register of interests for all serving members of the management committee.

Business Model

Long term goals

Despite considerable expansion, the village has few community facilities other than the Church and Village Hall which includes a single roomed small social club bar. The only shop and post office closed over 15 years ago and the postal service in the pub ceased in 2021. The pub was a popular meeting place which fostered a strong sense of community spirit. When open, the Somerset Arms was key in day-to-day activities, such as hosting festivals and being central to events such as the Summer Fete and village Christmas celebrations. Since the pub closed volunteers have organised various social gatherings with a pop-up licensed bar, including a Winter fete/bonfire celebration attracting 600 people, demonstrating the strong demand for such celebrations.

It is against this backdrop that we will offer not only a place for local people to meet for a pint, snack or meal but a vital hub for a diverse range of activities.

We will be working on a redesign of the pub to maximise its potential as a community hub. It is not enough to simply bring the pub back to life as it was.

Pub management model

Our preference it to secure a tenant who will have responsibility for pub operations and will recruit and manage their own staff and their own suppliers. This reduces the potential workload on village volunteers and provides the tenant with a strong commercial incentive to run a successful operation.

The tenant will have a clear incentive to make the pub a success because they will keep their own profits and bear their own losses. The tenant will be experienced, professional and motivated. A newly refurbished pub will be attractive to potential tenants and the tenant will benefit from an appropriate level of rent, related to turnover and discounted initially to help during the initial ‘relaunch phase’.

The tenant will be expected to work with the Society to provide services that have been highlighted in the village survey and by the Society during the interview and appointment

process. We would expect the tenancy agreement to include key performance indicators that we can hold the tenant accountable to through regular meetings.

The Society will need to draw up a detailed appointment process that can be carried out after the pub has been acquired but whilst it is being refurbished as the right tenant may bring new ideas to the table in relation to how the revenue of the re-opened pub could be optimized. We will be seeking professional advice on the tenancy agreement and the appointment process come the time.

The Society will only derive income from monthly rental and will likely retain responsibility for the structural integrity of the building. If the building can be fully renovated then we would hope to agree a rent below what the Pub Companies (e.g. Wellington) charge but enough to cover our costs and build up some reserves for future building maintenance work, and hopefully to be able to enable share withdrawals.

What do we want the pub to provide?

What people want from their local pub is changing and we have good feedback from villagers on what they would like to see. We will re-imagine the inside and outside space to provide a community hub rather than just a pub.

Whilst core services will, of course, include wet sales, dining, bar snacks, tea and coffee, pub garden, car parking and letting rooms, we will work with the appointed tenant to agree the additional services the pub will provide, such as:

- outdoor bar, marquee space, BBQs for festivals, fetes and special events
- live music
- meeting room for clubs/groups and private events
- games room for darts, pool etc
- big screen sporting events
- quizzes
- postal service
- parcel drop off and pick up
- take-aways
- gourmet nights with visiting chefs
- electric car charging
- information centre for boaters, hikers and cyclists
- wakes.

Competitor analysis

The Somerset Arms has a number of strengths and potential weaknesses compared to other local pubs in the area.

Strengths: authentic traditional country pub/coaching inn; quiet road; on cycling route; close to canal community and holidaymakers; immediate village community of circa 1000, many of whom will have a stake in the pub and will return to it on

reopening; off road car parking; live events potential; medium to large dining space; accommodation; closest pub to crematorium and wakes trade; opportunity to build new reputation and attract new customers.

Weaknesses: lack of passing traffic; exterior facilities (garden/car park) are tarmac/concrete and unattractive; loss of customers as a result of decline and closure; loss of business to other pubs in locality.

Society Financial projections

To be completed once firmer figures are available. We will need forecast projections of profit & loss, balance sheet and cashflow for at least 5 years

The ownership of the pub will be separated from the daily operation. The Society will maintain the building and will be required to cover costs associated with their legal obligations such as:

· Accounting, audit, tax compliance & FCA regulations

· GDPR/ICO compliance

· Insurance for officers/directors of the Society

These costs will be covered by the rent charged to the tenant along with an additional amount to build up a fund from which maintenance will be carried out. This fund may also be required to return money to members should they withdraw their shares. The circumstances when this would be permitted will be clearly set out in the rules of the Society.

The only significant recurring source of revenue that the Society is likely to receive will be income from the tenant in the form of rent. The actual level of rent will be based upon a proportion of annual turnover. In the case of rural pubs this is generally in the 10-12% range however the Society may consider discounting this for a period of time to enable the pub to re-establish itself within the locality.

Pub tenant financial projections

To be completed once firmer figures are available. Will need forecast projections of profit & loss, balance sheet and cashflow for at least 5 years.

We will need:

- Best estimates for income
- Proposed number of covers once refurbishment is completed. Some areas may be repurposed
- Split of income (wet, food & accommodation) – will depend on number of letting rooms and when available

- Best estimate of gross margins from trade standard information and specific data for previous actual operations at the Somerset Arms
- Best estimates for costs
- Rent payable to the Society
- Rates & insurance
- Staff wages & NI (current levels of minimum wage & NI start points & bands relevant here)
- Utility costs (heating/light/water)
- Administration & sundry costs

Risks & mitigations

Key risks

	Risk	Category	Likelihood (1-5)	Impact (1-5)	Risk score	Mitigations
1	Negotiations fail to secure an acceptable purchase price *CBS risk*	Financial	Possible (3)	Critical (5)	15	Prepare solid evidence eg commercial valuation, EPC, business plan. If we are unhappy with the price, we will not proceed and will return as much members' investment as we can.
2	Fail to raise sufficient funds to purchase pub *CBS risk*	Financial	Possible (3)	Critical (5)	15	Through our publicity campaign and active share marketing plan, we aim to build sufficient interest. We can keep the share offer open for longer if needed, consider loans to meet any shortfall and, ultimately withdraw from the purchase and return as much members' investment as we can.
3	Fail to attract much grant funding *CBS risk*	Financial	Almost certain (5)	Significa nt (3)	15	The grant funding landscape is not favourable and our expectations are low. We will try vigorously though.
4	Purchase pub but fail to raise enough to complete renovations *CBS risk*	Financial	Likely (4)	Major (4)	16	We could reduce our ambitions, delay parts of the renovation and increase the planned use of volunteers. We can issue further share offerings if necessary and maybe find a tenant willing to invest themselves. We aim to build up reserves for future renovation & maintenance once the pub is trading successfully.
5	Failure to find a suitable tenant *CBS risk*	Operational	Possible (3)	Critical (5)	15	We will engage the help of Plunkett UK and get good legal advice in drawing up a tenancy agreement.
6	Tenant fails to run a profitable pub through lack of custom, high costs, seasonal effects etc *CBS & Tenant risk*	Operational	Possible (3)	Critical (5)	15	Recruiting a capable and experienced tenant, agreeing an appropriate tenancy agreement and engaging the help and support of an engaged community of supporters and members should help.
7	Negative online reviews, before or after opening *CBS & Tenant risk*	Reputational	Possible (3)	Major (4)	12	We, and the tenant, will need to remain vigilant to social media posts. Providing a good quality offering and good customer service should mitigate against this risk.
8	More people want to withdraw shares than funds allow *CBS risk*	Financial & reputational	Unlikely (2)	Significa nt (3)	6	Clear communication that withdrawal is at the Management Committee's discretion and subject to available funds. We will charge the tenant sufficient rent to build up reserves for future withdrawals and building

						maintenance. We will try to recruit new members to fund withdrawals.
9	If the venture fails, members will lose some of their investment *CBS & Tenant risk*	Financial & reputational	Almost certain (5)	Significa nt (3)	15	Communicate clearly that capital is at risk. If we must we will sell the pub and try to minimise costs so that the return to investors is maximised.
10	Listed building and planning constraints cause delays and limit our ambitions CBS risk	Operational	Possible (3)	Major (4)	12	Engage early with listed buildings officer and planning department

<u>Expected timeline of events</u>

Mar 23 – Somerset Arms closed

May 23 – Declared an Asset of Community Value (ACV)

Nov 24 – Owners notified Wilts Council of their intention to sell

Apr 25 – Semington Pub Action Group formed

Jun 25 – Village survey

Feb 26 – Semington Community Benefit Society formed

Feb 26 – Valuation carried out

Apr 26 – Building Survey completed

Apr 26 – Share ‘pledge’ exercise

May 26 – ACV moratorium period ends

xxx 26 - Negotiations with Wellington Pub Company

xxx 26 – Purchase price agreed

xxx 26 – Share offer launched

xxx 26 – Sale completed

xxx 27 – Tenant appointed

xxx 27 – Phase 1 renovations completed - open for wet sales and food

xxx 27 – Phase 2 renovations completed - open for accommodation and community meetings/clubs