

# Lowther Arms Community Project Ltd

## Business Plan



*The Lowther Arms, Mawbray, Cumbria*

*"This vital piece of village life needs to remain in our community"*

March 2020



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**Patrons: Elaine Wilson and Malcom Wilson (OBE), M-Sport, Cockermouth, Cumbria**

The Lowther Arms Community Project Limited is Community Benefit Society (LACPL or 'Society') registered with the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014. Registration 8341. A Member of the Plunkett Foundation

## We can save the Lowther Arms!

Our vision is to buy and re-open the Lowther Arms as a community-owned pub and run it for the benefit of the community both near and far. Our pub is ideally located on the village green at the heart of our community and we want to save it for future generations.

It is the last service in the village and closed in December 2018 having trading for over 170 years.

This document aims to inform the local and wider community about our project, how you can help us and be involved, and to gain wider support. It's also designed to be accessible and easy to read.

### Why save the Lowther Arms?

Because it's been a focal point for generations, a place to drop in, meet, rest, drink, and celebrate. Not only that, many people choose to move here because the pub is like community glue – it holds everyone together and keeps us all strong. It may not be the biggest pub with the fanciest facilities or a prize-winning turnover but that's not the point. This is a small and remote community and, if we lost the pub, everyone would suffer. Not only in obvious ways like a big hole in the village and a drop in everyone's house price but in less tangible ways, too. Mary would never have met John and embarked on a wonderful new life with him. Rachel would not have the great job she has today without that helping hand of a first job waiting tables and learning the ropes behind the bar. George would not have a place to go to every evening for a quiet drink and chat to escape the lonely evenings at home. The school and play park would not be the enriched places they are today without all those hours of quiz nights and other merry fundraisers held within its doors. The pub also offers respite, friendship, warmth, and sustenance. Over the generations, people have invested in the pub and it represents a way of life that holds great meaning, is precious, and should not be lost forever. Come and visit us, feel the welcome and be embraced by our community.

Of course, this business plan is about investment, profit margins, turnover and bottom line. It's about our real lives, too.

The current vendors (landlords) bought the pub and its small caravan site for £95,000 in December 2013 and invested heavily to restore it from dereliction. In January 2018, they discreetly placed the pub and land on the market for £360,000 through agents Sidney Phillips and a year later, in early May 2019, submitted a planning application for 'Change of Use' to a dwelling. When the local community became aware and voiced objections, the local authority commissioned an independent valuation (£190,000 for the pub without the land) and recommended the planning application be withdrawn, requesting more evidence of active sales marketing. The Agents particulars also included plans for proposed residential developments on the caravan site; however, the site drainage, Local Plan and Conservation Area restrictions may make this unlikely.

In June 2019, The Parish Council applied for the pub to be listed as an Asset of Community Value (ACV). In the same month our group, the Lowther Arms Community Project (LACP), was born and we started fundraising. In July, the ACV was granted, and we were accepted onto the Plunkett Foundation's 'More Than A Pub' programme. In September, the price for pub and land was reduced to £275,000 and we had raised sufficient funds to commission an independent valuation - carried out in Dec 2019 and reported in Jan 2020. (£190,000 for pub with land "*Market value of the empty property – Closed – in Default*"; £230,000 for pub with land; *fully equipped, operational entity having regard to trading potential but subject to special assumptions ("Market value – Trading - in default")*). In March 2020, we became incorporated as the Lowther Arms Community Project Ltd (LACPL), a Community Benefit Society, which enables us to raise shares, and submitted an offer which was rejected in June 2020. As of August 2020, negotiations are continuing.

We need to raise a minimum of £250,000 and a maximum of £300,000 through a community share offer to buy and re-open the pub by December 2020. £250,000 will allow us to purchase, cover associated costs and reinstate the pub essentials for trading, ready for tenants. £300,000 will allow us to transform the pub into a warm and welcoming venue complete with café, essentials shop and revitalised caravan site to give it the best chance for success.

We will put into place measures to ensure the business is safe, sustainable and remains open.

Our pub will serve good food and drink, host a range of events, provide valuable services to all in our area, and support local business. As a community business, the Lowther Arms will be more than simply a traditional public house – it will be ‘More Than A Pub’.

To meet our vision, it must:

- Have a positive impact in the community
- Allow people to have a role and a say
- Make a difference to customers and the community.

We are sure that, in the right hands, the Lowther Arms will be a winner.

The current vendors achieved an annual turnover of over £90,000 when the pub was trading full-time. We believe that a higher turnover can be reached with the right tenants delivering great traditional pub food, attention to costs, and the additional café, shop and restored caravan site staffed with the help of volunteers.

LACPL will agree a lease with the tenant who will run the licensed business, sell food and drink, and pay rent to LACPL at a level that reflects the profitability of the business. The rental income will provide revenue to LACPL to allow the payment of interest to investors and enable the withdrawal of shares from time to time. Our experts advise us that the business is profitable but, if it is not, LACPL will own a community asset which, if necessary, could be sold to repay investors. Your investment is in the bricks and mortar – as well as the licensed business – so this is a great opportunity to invest in a worthwhile community enterprise that will continue to change lives for the better.

We’re on a journey to a place we want to call Our Pub. But, it’s more than a pub – it’s a community hub – loved by locals, appreciated by visitors and part of our Cumbrian coastal heritage.

We’re pulling together as a community to buy and reopen our pub. We’ll make The Lowther Arms the UK’s first Coastal Community Pub – and you can have a share in our pub, too.

Be part of our journey



*It was a nice meeting place for young and old and a number of parishioners had the bus greatly reduced so meeting friends has been taken from us all.*

With the support of the government-backed ‘More Than A Pub’ programme and the Plunkett Foundation, the Lowther Arms Community Project Limited (LACPL) has been created and registered with the Financial Conduct Authority (FCA) as a Community Benefit Society, regulated under the Cooperative and Community Benefit Societies Act 2014.

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Cumbria Community Foundation

Cumbria CVS

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Patrons Elaine Wilson and Malcolm Wilson OBE (owner of M-Sport and British Rally Champion)

The Plunkett Foundation

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Memories from various members of the community

Stephen Walker (CAMRA, local)

Ye Olde Cross Inn Ryton (Gateshead, Tyne & Wear)



*Due to the pub closing there's a pub quiz in the village hall once a month to keep up the community spirit until the pub re-opens and we can use it again.  
The pub could also have games nights to introduce other customers*

# 1. Introduction

Nationally, many pubs are closing in what is seen as a long-term decline amid changing consumer trends. People are buying cheap supermarket alcohol to drink at home and more younger people are drinking less or staying sober. Figures released in December 2019 offered a glimmer of hope for the industry, with the first net increase in pub numbers (320) since 2010 (Office for National Statistics<sup>1</sup>). The arrival of Covid-19 has challenged our way of life, but we have also seen first-hand how a pub a few miles away has thrived as a community focal point during this pandemic, providing vital services.

## 1.1 The issue

The Lowther Arms is a traditional country pub that sits on the green in the middle of Mawbray village. Like many other pubs in this country, it is closed and up for sale. The vendors have also applied for planning permission to convert it to a dwelling.

It shut its doors in December 2018 after generations of trading and was the last service in the village. Over the years, we have lost our village shop, Post Office, the 'Forge' restaurant, mobile library, mobile shop and butcher's van, petrol pumps, milk and paper rounds, and most bus services. It is the only country pub for miles around and is an important part of many peoples' lives. People do not want to lose their pub and are passionate about saving it for future generations.

## 1.2 How the Lowther Arms Community Project Ltd (LACPL) was born

Since the community became aware the pub was for sale (pub £260,000, plus land £100,000), there has been huge support to save it and keep it as the original pub with its land.

In May and June 2019, many people objected when they discovered a planning application had been submitted to convert the pub to a dwelling, so the Parish Council applied for the pub and land to be listed as an Asset of Community Value (ACV). At the same time, a few public meetings were held and the Lowther Arms Community Project (LACP) was born.

In July 2019, LACP was accepted onto the Plunkett Foundation's 'More Than A Pub' (MTAP) programme, and the local authority commissioned an independent valuation (£190,000 pub only) and recommended the planning application be withdrawn to allow more time for active marketing.

The ACV was granted, the campaign to save the pub was officially launched at the end of August 2019 and fundraising began. People have continued to demonstrate their support and pledged over £30,000 to date.

The pub and land were re-advertised for £275,000 in September 2019 and LACP began fundraising to commission a private '*Business Buyer and Market Appraisal Valuation Report*'<sup>4</sup> in October. The valuation took place in December and valued a fully-equipped, trading pub with prospects of fair maintainable trade, longer opening hours and additional income streams (e.g. café, shop, caravan site) with some volunteer labour at £230,000. In March 2020, the group became incorporated as the 'Lowther Arms Community Project Ltd' (LACPL), a Community Benefit Society\*, in preparation for a Share Issue, and made an offer for the pub. We are still in negotiations. A few particulars of the pub are given in Appendix 1.

Many people would like the pub to be at the centre of village life again: a welcoming, traditional village pub that serves good food, and offers additional services – a community pub owned by the community, run for the benefit of all the community.

This business plan outlines how we intend to do this.

\* (Registered with the Financial Conduct Authority (FCA) 2 March 2020, Reg No 8341).



Our Pub. On the village green.

*"One lady, who married in the local church in 2002 recalled that, en route to the church, Elsie the landlady met them on the road with a celebration brandy. The village pub really was the heart and soul of the parish."*

## 2. What would the community like?

We asked the community what sort of pub they would like.

Public consultations were held (public meetings, surveys, feedback requests, planning application), the situation was reported in the local media, in newsletters, on noticeboards, and on our Facebook page and website, and people responded with their views about the pub.

The overwhelming result was that people wanted to keep their pub and were prepared to help achieve this.

### 2.1 Asking the community

*There are no other services in the village. We don't want to lose the pub as well.*

*I'd like to see the pub more open to the community by providing library/book club, coffee mornings, ability to purchase basic food items.*

*The pub provides a crucial function and we don't want to lose the pub forever.*

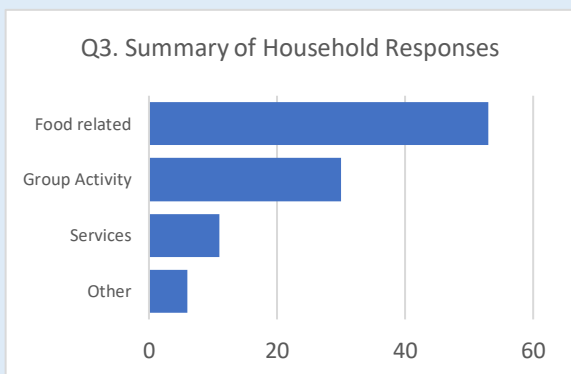
*It's a meeting place of social clubs e.g. senior citizens, walking groups, local CAMRA branch etc - anything that opens the pub to the wider community to ensure its maximum usage*

*Pop up cafe might be nice once in a while*

*A little shop for sweets or ice creams, maybe basic groceries like milk.*

*Café, Courier collection point*

*Small shop, café, courier collection, café, chiropodist, dry cleaning*

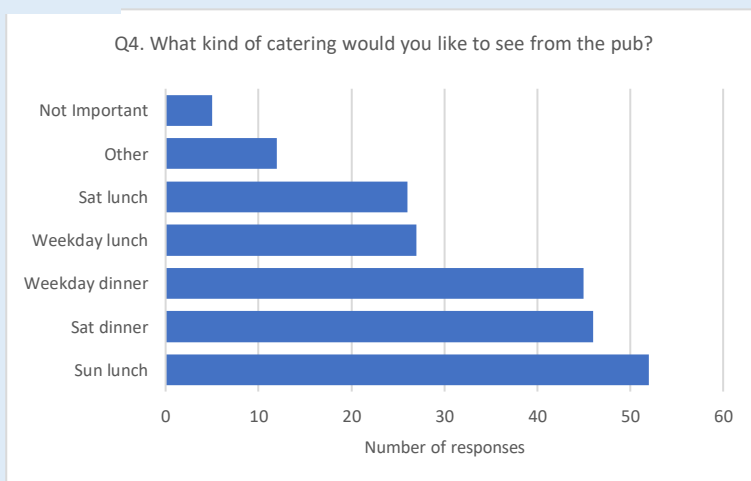


*Many people wanted additional services*

Our survey of local households revealed that 83% think the pub is very important, and most (61%) would use the pub once a week or more.

Food (lunch and dinners) and food-related items like a café and essentials shop, were especially important and many would like additional services (meeting place for group activities, events, camping, courier).

The full survey results are in Appendix 8.

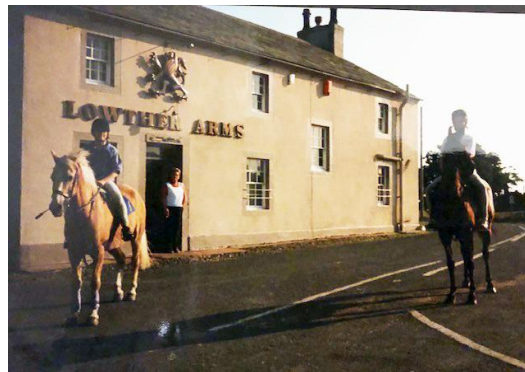


*Types of catering people would like*

### 3. What we plan to do

Based on the feedback and research, we began to plan how to make an 'open pub' a reality.

We are working with local groups (Parish Council, Village Hall, local school, businesses) to create and deliver the community pub that people want: one that is open, welcoming, accessible to everyone, and delivers wonderful customer service.



A safe place to live

#### 3.1 Save the pub and re-open it! (Our Mission)

To fulfil the aspirations of the community, we need to raise enough money to buy the pub, re-open it in December 2020, and put into place measures to ensure the business is sustainable and remains open in the future. As a legally incorporated Society, our purpose is to “carry on business for the benefit of the community by:

- Securing the future of The Lowther (formerly known as the Lowther Arms) as the pub at the heart of our community
- Developing the Lowther Arms as a community hub - for it to be 'More than a Pub'
- Carrying on business by providing social and hospitality facilities and services to the local community.”

“There were ‘egg-dumping’ competitions at Easter time (a bit like conkers, only with hard boiled eggs) and, on auspicious occasions, the Morris men would dance outside the pub.”

#### 3.2 What we'd like to do (our Aims) and what our pub will look like

We know from past experience the pub has traded well but cannot survive on custom from local residents alone – there are simply too few people - and the business is marginal. A previous landlady who enjoyed good trade had the help of her extended family, and we know that we have to make the best use of the limited interior space to maximise sales.

Based on the recommendations of the ‘*Business Buyer and Market Appraisal Valuation Report*’<sup>4</sup> and consultation feedback we know that, to remain viable, the pub must maximise its resources and marketing, control costs, and generate money from additional income streams with volunteer staff.

In order to achieve success, the overall aims are to:

- Buy the pub (raise money through shares, loan, grants, fundraising, donations)
- Redecorate and re-open the pub in a welcoming colour scheme (with the help of skilled local volunteers)
- Deliver great beers and delicious, fresh-cooked food (using locally-sourced ingredients where possible)
- Become a hub for the village, a stopping point for passers-by, and a destination for visitors and tourists
- Create an ‘essentials shop’ (free-standing cabinet or cooler unit)
- Open a café/coffee shop and small meeting space
- Tidy and re-open the caravan and campsite as an excellent facility
- Develop additional services (courier and dry clean service)
- Provide free Wi-Fi to customers
- Eventually achieve net sales of £3,000 per week

By doing all this, we hope to deliver the following benefits:

- A welcoming, comfortable, accessible, safe, child and dog-friendly space for users of all ages: friends, neighbours, families, visitors, walkers, cyclists, campers.



The Lowther Arms Bar, 2018



- A place where people can socialise, relax, meet new people, participate in group activities (e.g. quiz, art, book, lunch, or walking groups), celebrate special occasions, be entertained, and feel less remote or lonely.
- Provide additional services to support the community so that people with mobility issues, lack of transport or no easy access to the market towns several miles away can buy essential items like milk, bread, and papers.
- A place to eat, drink and be happy (lunches, evening meals, snacks, bacon butties, sweets, coffee and cake, sandwiches, takeaway snacks, ice creams).
- Support and underpin the local economy and amenity by buying goods and services from local businesses (growers, producers, skilled trades, artisans), and provide a sales/display outlet for local art and craft workers. Provide employment, voluntary work experience, and training opportunities.
- Provide free Wi-Fi and a small meeting place for business meetings or pop-up health services (e.g. chiroprapist). Much of the parish has poor broadband, but there is superfast broadband in Mawbray village.
- An almost-year-round caravan/campsite accommodation to cater for tourists and visitors (including electric hook-ups, showers, safe bicycle storage, bicycle spares, tourist information and maps). There is already an electric vehicle charging point outside the pub.

The full aims and objectives are in Appendix 5.

*"The Young Farmers used to meet at the pub before going out for the night and 40 years ago, on Friday and Saturday nights, people would be queuing at the door to get in."*

### 3.3 What work needs to be done?

The building is structurally sound, and the interior is in good condition however the décor could be more warm and welcoming. The bar, furniture, kitchen equipment, fixtures and fittings are still in place and in good order so the pub can be up and running again very quickly. There is also a flat upstairs.

We will engage a professional interior designer and use local skills and trades to do any work – many have volunteered to help (decorate/refresh the interior, paint the outside, tidy the grounds/restore the existing caravan/campsite with its hook-ups). If practicable, volunteers have also offered to install a café counter, essentials shop cabinet, and create a better internal layout.

### 3.4 How will the pub be run?

#### 3.4.1 Who will own the pub? (Ownership Model)

The pub will be bought outright (freehold) by LACPL from money raised by shares, so will be owned by its Members (shareholders) – i.e. the community. This means the community will feel much more involved in the project. LACPL will operate as a not-for-profit organisation and surplus funds will be ploughed back into the venture. The wide Membership through share ownership will also provide a large pool of people to draw on for support and custom and will generate great loyalty for a well-run enterprise. Plunkett Foundation research shows that the community model is resilient, and to date no co-operative pubs have failed - their strong identity sets them apart from traditional competition. It will have the ability to:

- Raise funds by sale of withdrawable shares
- Have democratic decision making
- Allow the distribution of residual funds for community benefit should the Society dissolve (asset lock)
- Own and operate business entities with limited liabilities for members
- Run business activities for community benefit
- Access grant funding and preferential loan finance



*The Lowther Arms Bar, 2018*

LACPL can pay interest on Member's share capital but cannot distribute surpluses to members as dividends. Members and investors are also rewarded if they actively support the pub in different ways as customer, supporter, or volunteer. Similarly, employees, suppliers and other stakeholders have more incentive to support the business because they know they are helping a community enterprise. There is not the same conflict between shareholders and stakeholders as there is in a conventional business model. The support of stakeholders (people with an interest in the business) is vital and a review of their importance is in Appendix 4.

### 3.4.2 How will the pub be run? (Operating Model)

There will be a separation between the ownership and operation of the pub. The Management Committee will be responsible for managing the affairs of LACPL in the same way that a Board of Directors manages the affairs of a Limited Company. The Management Committee will:

- Organise and supervise the pub purchase and refurbishment works
- Appoint two tenants
- Monitor and manage LACPL's financial affairs for the benefit of the community
- Oversee the lease and manage the relationship between LACPL and the tenants
- Recruit new tenants should this be necessary
- Line manage the café, shop, and caravan site if this is agreed with the tenants.

Whilst the local community is enthusiastic to keep the pub, we lack the necessary skills, experience, or time to manage the business effectively long-term. LACPL will therefore own and be responsible for the land and buildings and lease the business to the tenants who will pay rent to LACPL. LACP hopes to secure two tenants (e.g. a couple), as Bar Manager and Chef, to manage the core food and drink business day-to-day - tenants whose aims that align with ours and share a commitment to our vision.



*The Lowther Arms Bar, 2018*

We anticipate that volunteers will help run the other enterprises – the café, shop, and caravan site. The Management Committee will set the broad direction for the business and agree key targets with the tenants, including those aspects which community feedback has shown to be important. Beyond that, the tenants will be left to manage and operate the business as they see fit.

The Management Committee does not intend to interfere with the day-to-day running of the business or attempt to micro-manage the pub.

Once the pub is up and running, the aim is to remain debt-free and if there is a surplus the Management Committee will decide what these funds should be spent on. This could be to improve the facilities (e.g. extend the conservatory, buy glamping pods) or invest in other community projects. The scope of the Management Committee's work will be determined by the skills, interests, and availability that each committee member has to offer.

*The pub is the last service in the village and should be preserved and developed to enable the village to grow and become another tourist attraction along the west coast.*

To understand the nature of the business and in order to engage the right tenants, a local publican with 40 years trade experience will help us open and run the pub for the first three or four months.

The Management Committee will advertise locally and nationally for a tenant (e.g. Travel Weekly & The Caterer), then interview and select suitable people. Our selection panel includes experienced business owners and interviewers, a publican, professional adviser, and another community member, and we will also seek legal and professional advice.

LACPL Management Committee will support the tenant to meet and adapt to community needs and LACPL Members, and negotiate an equitable and mutually beneficial tenancy agreement which defines the responsibilities of each party: i.e. what the tenants can expect from LACPL, and what LACPL expects from the tenants to support community facilities and development - operating within broad parameters that allow the tenants the freedom to run and develop the business.

We expect the tenants to outline their business and marketing plan as part of the interview process. This should include a long-term vision; sufficient detail about food and drink offerings; customer service philosophy; and how customers (both local and visitors) will be attracted to the pub. An outline of how they will develop a good relationship with the local community will be critical to the success of the pub.

The community ownership model has been adopted successfully by other community pubs and has the potential to be a great business in the hands of the right tenants, who:

Qualities required in a good tenant:
Are committed to excellent customer service, have an eye for detail and high standards of hygiene and cleanliness
Can use our consultation feedback to develop a clear vision for operating a community pub
Have the aptitude and attitude to establish a business from day one
Demonstrate the ability to link to the community, seek feedback and adapt to community needs
Have the business acumen and flair to develop the business to its full potential
Have experience of business marketing/social media and develop a successful marketing plan
Have financial management experience
Understand and accept the unsocial hours required to operate a successful pub business
Have some management/supervisory experience and can demonstrate good people skills
Understand how to manage staff/volunteer motivation, training needs and performance evaluation
Can work with volunteers, local suppliers, businesses and the local community
Can maximise operating hours through various offerings (morning coffee, lunch, evening meals)
Have a Personal Licence and satisfactory criminal records check

The tenants will buy the trade items, pay an ingoing premium (security/deposit 'bond') up to a maximum of £20,000 - the amount to be negotiated as part of the recruitment process - and this will form part of the tenancy agreement. The tenancy will be a bespoke agreement; a Full Repairing and Insuring lease (FRI) where the tenants take on the costs for everyday repairs and the contents insurance of the property. The market research in this business plan will provide a sound basis for the agreement and we will draw up a lease with help from expert advisers and experience of other community pubs.

We realise a closed pub is not an attractive prospect to potential tenants, so we expect to set terms to make it a good business proposition, for example, to include the accommodation above the pub, rent-free, and to enable the tenants to have a debt-free start. The freehold status of the pub, lack of ties to a brewery and modest profit and investment returns will mean that we can afford to charge a reasonable rent to the tenants, e.g. 10% to 15% of turnover, which is typical for the pub sector. A common practice for community pubs at start-up is to also offer a reduced rent for the first few months.

The tenants' start-up costs of re-opening could be considerable, so the business has to be affordable and realistic to give the tenants the time, opportunity, and incentive to run and build a profitable business. We assume the tenants will have the same aim – to reach the expected turnover figures. Our business modelling assumes a rent that is based on sales and is initially low to give the tenants time to establish the business.

We expect to conduct an annual rent review for the first three years to ensure our business modelling is based on actual trade data. This rental income will be used by LACPL for any loan repayments, any necessary outgoings not covered in the tenancy agreement and, in time, to pay interest to investors and allow members to withdraw shares.

In case a tenant is unable to continue, we will register with an emergency landlord scheme as a safety net, and also liaise with organisations like the British Beer & Pub Association (BBPA) that keep a staff register.



Local signpost on Hadrian's Cycleway route

### 3.4.3 The pub in the community

The most important thing is to ensure that customers have the best experience - so they stay longer, leave happy, make return visits, and tell their friends. The interaction between customers and tenants is key.

To achieve this, a crucial aspect of the community model is therefore maintaining excellent relations between the stakeholders especially the tenants, Management Committee, Members, employees, and volunteers to ensure it all runs well. The tenants and business must feel supported whilst meeting the aims and values of LACPL Members, the needs of the community and other interested parties. The Management Committee, formed largely from members of the local community, must continue to consult with and seek regular feedback from the wider community.

We propose to do this in several ways:

- **Seek feedback** via a Members (shareholders) section on our LACPL website; our Facebook page, email, regular newsletters and updates.
- **Shareholder surgery:** a Management Committee member will hold a monthly 'surgery' in the pub where Members can give feedback and suggestions, ask questions etc. This can then be discussed with the tenants at regularly scheduled meetings.
- **Formal meetings:** Quarterly Reviews and Annual General Meetings to discuss and monitor the success of the business and to address issues as they arise.
- **Informally** through conversations and ad-hoc meetings



*The Lowther Arms Conservatory – one of the dining areas. 2018*

We would like to ensure that both the tenants and community share in the success of the project they have created. Depending on the tenants, the campsite, café and essentials shop may be run as separate enterprises by LACPL and it is hoped that by having additional services in the same building (café, shop) this will attract a wider clientele, encourage them to stay longer and feel they have an asset to value.

We hope the local community will continue to support the pub by offering voluntary help and coming to eat drink and enjoy it! We also hope Members of the Society will join and assist the Management Committee.

With your backing, our pub will provide a vital service to the village and visitors and support local business and tourism.

### 3.4.4 Covid-19 Update

We hope to keep to the expected timelines to launch our share issue in August 2020 and open in December 2020.

Our expectations are similar to the rest of the hospitality trade in that restrictions such as social distancing measures will be more relaxed by this point. Where possible, we will incorporate all Health & Safety best practice into any refurbishment to make the pub a safe and enjoyable a space for our community to spend time.

*"The pub is an asset to the village and surrounding area – a lot of people come to the area to walk, see the Natterjack toads, enjoy the scenery, and then ask where they can get a meal and a drink."*

### 3.5 How we'll we raise the money

*"The pub will provide employment opportunities for young people and provide support for local suppliers."*

The money to buy The Lowther (freehold) will be raised through a community share offer, to run from 18 August 2020 until 1 October 2020, and possibly a Crowdfund campaign.

Shares are £50 each and the minimum shareholding is £100, the maximum £30,000 or 600 shares. A group of people can also club together to buy a shareholding.

The share offer must raise at least £250,000 to buy the pub and cover start-up costs, and any more will go towards extra services and improving the interior and layout. At most, we'd need £300,000 to cover all the costs of setting up various enterprises and, ideally, avoid paying for interest-bearing loans.

We applied for the 'More Than A Pub' two-stage Grant-and-Loan package and have been awarded the Plunkett Foundation Grant of up to £50,000 and are now being assessed for a Key Fund loan of up to £50,000. If we cannot raise enough money from the share issue and Crowdfund campaign, LACPL will draw down the grant and loan package, seek match funding and/or extend the share offer. Gifts and one-off donations have already been pledged, and fundraising events will continue.

Purchase of shares confers 'Membership' of LACPL, giving members a say in what happens to the asset through the election of a Management Committee in accordance with the LACPL's rules (one shareholding = one Member = one vote). The Management Committee (and shareholders) have the protection of limited liability. Full details are given in the share prospectus. Our 2020 share marketing strategy is summarised below:

Date	Activity	Details
Jun	Set up Working Party.	To co-ordinate and manage our share issue to promote and advertise our campaign to make it as visible as possible to as many people as possible within the agreed timescale, involving the following areas: Online (Website, Social Media) Production of Documents (Business Plan, Share Prospectus & Certificate) Accountancy (keep accurate financial information and reconcile data) Events (launch event, follow-up events, fundraising events) Supporters & Info (keep GDPR compliant-contact details and other info)
Jul	Finalise and Publish Business Plan, Share Certificate & Share Issue Documents	To provide all the supporting information about the share offer to inform any prospective shareholder. Attain Community Shares Standard
	Prepare & Organise Share Launch & Campaign.  Engage Marketing and PR professional	To promote and publicise the share offer utilising: Co-ordinated News Releases/Media campaign Social Media posts, a launch Video, Newsletters, Mailing lists, custom webpage for launch & online share purchase, printed share documents to issue). <ul style="list-style-type: none"> <li>To plan launch event and associated promotional activities (virtual &amp;/or live). Shoot and prepare our Video to launch the campaign</li> <li>Timed news releases, newsletters, email updates</li> <li>Online promotion via our website, and ability to purchase shares online</li> <li>Facebook campaign</li> <li>Crowdfund campaign</li> </ul> Organise virtual or live events To provide contact details for supporters and prospective shareholders (phone, mail, leaflet, online). To provide information about share application process and buying shares (subject to Covid-19: online, via post, in person, virtual/live launch event). To keep accounts, record details of share purchases, and issue receipts and Certificates
18 Aug	Launch Share Issue	To highlight/provide a big initial focus for the start of selling shares. Virtual and/or live (depending on Covid-19 situation).
Aug/Sep	Continue fundraising campaign	Utilising all in (2) above
1 Oct	Close Share issue	If sufficient funds received.
Oct	Continue Share Issue, draw-down loan/grant	If insufficient funds received
Nov	Implement alternative strategy	If insufficient funds received. Otherwise close share issue.

## 4. Background

### 4.1 This is our Pub

The earliest record of The Lowther Arms is in the 1847 Cumberland Directory, and we have a list of landlords/ladies since then (Appendix 2). Apart from a few short breaks, the pub has traded ever since.



Landlord Tom Graham, Blacksmith. Late 1920's

The outside of the pub has changed little in decades however the inside was remodelled more recently.

The pub now has a conservatory and beer garden that lead to the car park at the rear, and then on to a small Registered caravan and campsite. The cosy bar has a welcoming open fire and there are two further areas, also used for dining (one in the conservatory).

The pub closed twice briefly not so long ago. First, in 2004 when the landlady of 28 years, Elsie Pigg, died. The pub was closed for 18 months whilst a buyer was sought, and the village formed the 'The Mawbray Community Pub Initiative Ltd' to attempt a community buy-out.

At the last minute, a private buyer was found, and everyone celebrated when local landlady, Dawn Lindsay, bought the pub and transformed it into a warm and welcoming traditional village tavern. Determined to make her pub the heart of the village, she asked the locals what they wanted in a pub; served good pub grub and introduced live entertainment.



Enjoying a night out. Late 1990's

The caravan site flourished and was busy with tourers and campers, and the land also used for community events like the summer BBQ and music festival.

However, the pub came on the market again in 2013 when Dawn closed it, and a local couple, Jay and Morven Anson, bought and re-opened a refurbished and re-named pub in June 2013. Now called 'The Lowther', it was re-branded as a 'Village Pub with Dining' and the village celebrated again!



Lowther Arms, Dec 2006

However, as times changed, the landlords decided to stop serving food in mid-2018, and finally closed the pub in December that year.



Music on Sunday. 2016

The pub now has a conservatory and beer garden that lead to the car park at the rear, and then on to a small Registered caravan and campsite. The cosy bar has a welcoming open fire and there are two further areas, also used for dining (one in the conservatory).



The Lowther Arms around 1920



The Lowther Arms, winter 2010








Legendary landlady Elsie Pigg

Former landlady Elsie Pigg played darts for Cumbria and was a Cumbrian champion, as witnessed by the display of trophies in the bar.

The pub sported a pool team, and a dominoes team – a group of older farmers who met on Saturday nights. There were also two darts teams (ladies and gents). On darts nights, the Ladies team had to make their own sandwiches whereas Elsie would make pie and peas for the Gents team

## 4.2 This is Us

We have talented and committed people on our Management Committee all working towards re-opening the pub. Most live in Mawbray village.

	<p><b>Annette Gibbons OBE.</b> I have lived in Mawbray for 35 years and been involved with the buyout of The Lowther Arms from the start. I studied Home Economics and travelled in my twenties, working as a tour guide at Victoria Falls, southern Africa and, on my return to the UK, I trained to teach. I started my own cookery school, fine dining club and food safari business and have worked in hospitality for over 25 years. I've written two cookery books on seasonal Cumbrian food and presented four series of <i>Home Grown</i> on ITV Border. For over 20 years, I organised the 'Mawbray Entertainers' and produced the village's annual pantomime.</p>
	<p><b>Allyson Tunstall.</b></p> <p>I've lived in Mawbray for almost 20 years and enjoy village life as I was brought up on a farm. I have run a very successful private day nursery in Maryport for 28 years employing nine staff, so understand the demands of business life.</p> <p><i>We had great social evenings and good food... and the community has benefited from good fundraising projects in the past, especially the school and play park</i></p>
	<p><b>Chris Atkinson (Chair)</b></p> <p>(Chair) I've lived here nearly 20 years and I'm Head of Standards and Best Practice at the Soil Association. I grew up in a farming family and have a degree in Agricultural Science and MSc in Agricultural Engineering. Following several years in agricultural research and practical farming, I became an independent agricultural consultant. I worked regularly for Scottish Organic Producers Association in inspection, certification, research, and education before joining the Soil Association in 2007.</p>
	<p><b>Craig Tunstall</b></p> <p>I've lived in Mawbray for almost 20 years. I am a retired builder, having run my own building business for over 20 years. I have specialist knowledge of working with heritage and National Trust properties and now renovate old fairground rides. I am also the maintenance man for my wife's Children's Day Nursery.</p> <p><i>At the moment we have nothing. We want our pub back</i></p>
	<p><b>Dave Talosi (Todd)</b></p> <p>I worked in the manufacturing industry most of my working life (Case International Harvesters and Bridon Wire). I packed in two years ago and moved to Mawbray after buying a house here the year before. At the moment I do any gardening work plus any odd jobs for people. I also grow and sell vegetables. Having the pub in the village was one of the reasons we chose Mawbray as we felt that if it's got a pub it will have a good community spirit.</p>



**David Jeffries** Aged 52, I live in West Cumbria with my (TV Journalist) wife and two teenage step-children. Over 25 years in Marketing, Digital Media, Broadcasting, Advertising, Computer Graphics/Game and Web/Online. Started companies internationally (employed over 50 people in four business, annual turnover several £million pounds). Writer, freelance animator and graphic designer, senior 3D artist for ITV. One strength is recognising opportunities, being able to make the most of them, and releasing potential. Accomplished networker; entrepreneur with mix of experience and skills applicable to most Start-up and SME's; offer an energetic and pragmatic approach to business development. Successful record in coaching and mentoring business colleagues and graduates as well as setting up and running businesses.



**Diane Byers** I've lived in Mawbray nine years and it's important to retain the pub as a focal point in the village where residents and villagers of all ages can feel free to meet and integrate socially alongside visitors to the area. I'm a Senior Teaching Assistant at the local village school and have worked with Cumbria County Council for 13 years. I have a financial background, a Diploma in Business Studies, and have been self-employed. I'm married with a son who works for a local authority and a daughter who attends the village school. I'm Chair of the Play Park Committee (the play park outside the pub) and a Governor of the local school. I enjoy walking, gardening, and creative activities both at home and with the school.



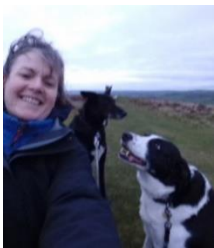
**Gary Byers**

I was born in Mawbray and am the fourth generation here, so have strong family links to the area. I am Operations Manager at the Port of Workington and have been with Cumbria County Council for 13 years. I'm married with a stepson and daughter. A keen gardener and vintage machinery enthusiast, I have many plant operative skills and a vast knowledge of machinery and engineering procedures. Also, a loyal supporter of the pub through the last three ownerships.



**Jo Leeds**

I am a teacher with a former legal background who is used to communicating with people from all walks of life. I have an inquisitive mind, tend to think outside the box and I am handy with a paint brush.



**Vivienne Coleman** (Secretary) I live in Goodyhills and would love to the pub open again. A Research Scientist (PhD Satellite Remote Sensing), I now run my own business as artist and writer. After early challenges and learning failures, I made up for it as a mature student with a BSc in Economics & Development Studies; MSc in Land & Water Mgt, and Diploma in Mgt Studies. I worked throughout my studies, and later jobs included Fire Brigade Media Officer & Statistician, University Careers Information Officer, Technical Editor, and Local Government Policy Officer. I learnt a lot about business in early jobs as accounts clerk, hospital receptionist, manager of a small printing firm, VDU inputter, and office temp. I love my dogs and motorbikes, gardening, DIY & solving puzzles.

*We had great social evenings and good food... and the community has benefitted from good fundraising projects in the past, especially the school and play park*



### 4.3 Our Parish

#### 4.3.1 Location

The Lowther Arms is in a Conservation Area in the centre of Mawbray village in the north-west corner of Cumbria. It is a short walk to the beach and stunning coastline of the Solway Firth and about a half hour's drive to the Lake District National Park - one of the most popular tourist destinations in the UK.

Mawbray is a living, working village in the rural parish of Holme St Cuthbert, a parish that also contains a scattering of small hamlets, farms, small businesses, swimming pool, sand/gravel quarries, and isolated dwellings. Mawbray is in Allerdale Borough Council's area, which includes Keswick in the Lake District.

It is five or six miles to the nearest Post Office and shop in Aspatria or Silloth, and eight to 10 miles to moderate-sized supermarkets in the small towns of Maryport and Wigton.



Village life is dying as a result of the pub closing

Figure 1. (Left): Map showing the location of Mawbray (red dot) and the Lake District Cumbria. (Source: Geoatlas.com)

Figure 2. (Right): Map showing Mawbray village, and location of the Lowther Arms pub (red dot)

#### 4.3.2 The local area

The coastline of unspoilt sandy beaches and grass-covered dunes is a designated Area of Outstanding Natural Beauty (AONB) with views to the Lakeland fells to the south west, and the distant Scottish shores across the Solway Firth to the north east.

- The coastal strip has
- safe bathing
  - designated Nature Reserve with rare wildlife
  - Hadrian's Cycle Way (HCW)
  - England Coast Path

which annually attracts thousands of visitors to come and stay in the numerous caravan parks and holiday accommodation nearby.

Allerdale Borough Council and Solway Coast initiatives also heavily promote cycling tourism. Several annual cycle events pass through the village or along the coast/Tarns road.

The air is clean and unpolluted, and on sunny summer days the sea is lukewarm and perfect for swimming.

The area has a rich history and heritage, including examples of Roman heritage like Mile Fortlet 21, just south of Mawbray.



Figure 3: Clockwise from Top Left: Looking towards the Church and Skiddaw Mt in the Lake District; View from the church tower across farmland to the Solway Firth and Scotland; Looking inland from the beach; A sunny day on the beach.

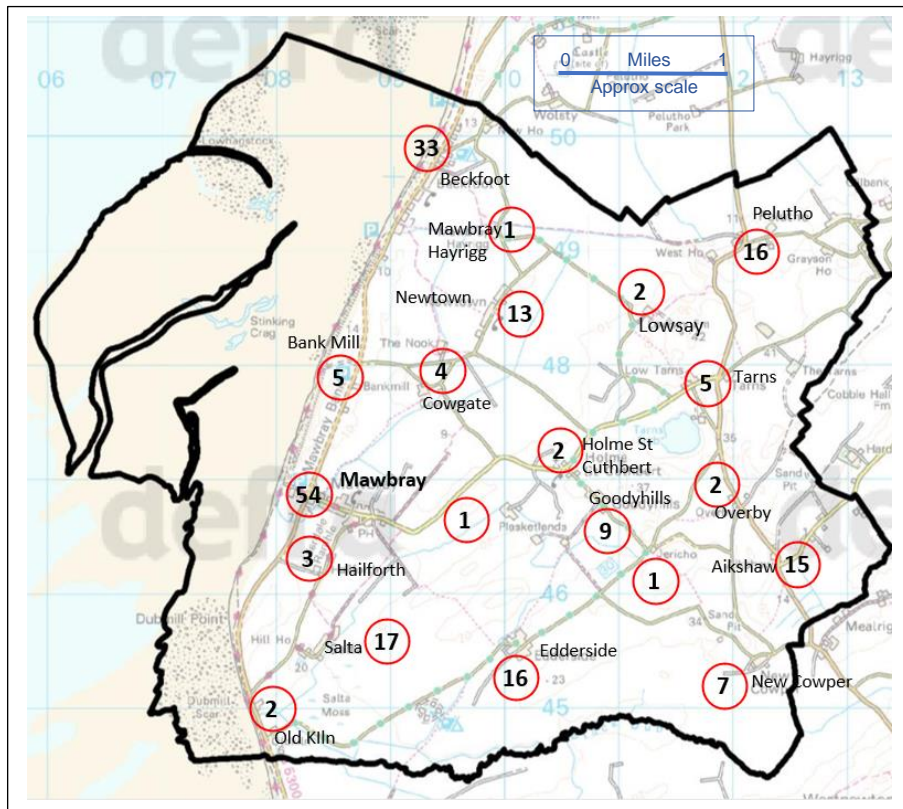
## 4.4 Population and households

*A piece of history will be lost if the pub closes*

Our Parish has a small resident population (465) but also a much larger, transient, population of temporary/seasonal residents, visitors, and tourists.

### 4.4.1 Permanent residents

Mawbray is the main settlement in the parish and has 54 households. The following map shows the number of households in the various hamlets, by postcode district (total 185 households).



Parish map showing the number of households by postcode (hamlet). Note: Some postcode boundaries overlap the Parish boundary. (Source: Defra; Valuation Office)

At first glance, you might think the parish with its seaside location would share the same prosperity and facilities as the nearby Lake District, but this is not the case. A more detailed look at census and survey data reveals some interesting facts.

It is a super-sparse population, with higher levels of multiple and health deprivation (ranked in the country's worst 20%).

It is several miles to local services, there's poor public transport, higher than average lone households and many people are lone workers and work from home (i.e. they are isolated).

Although households are largely owner-occupied and detached, most are in Council Tax Band A. Many households are in isolated locations, some are overcrowded, have no central heating or a car, and some are in fuel poverty. However, the community is safer and stronger than most in the UK.

Holme St Cuthbert Parish	Data
Area ha (acres)	6301 (15,570)
Households	185
Population	465
Population density	0.07/ha (super sparse)

Overall, households earn less than the national average, 14% of people work from home (e.g. farming) and 6% have to travel more than 40km to work – higher than the national average.

70% of the population are economically active, over a quarter are self-employed (e.g. farmers, trades/crafts), only 25% work full-time and almost a quarter of children live in out-of-work households<sup>2</sup>. Roughly half the population have no qualifications, the other half have degree level or higher.

The great news is that it's virtually crime-free and there is superfast broadband in Mawbray (but not in many other parts of the parish). The average credit score is 768.

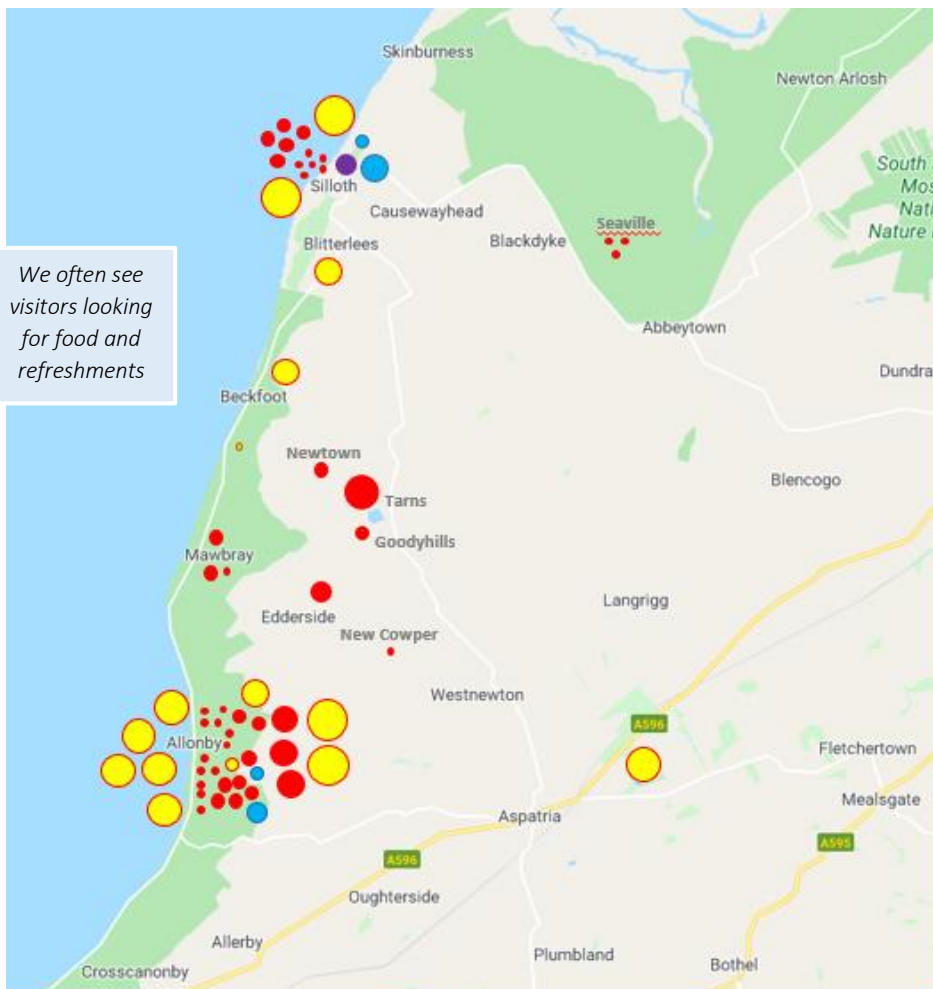
There is a well-appointed Village Hall in Mawbray, a swimming pool at New Cowper, and excellent primary school 1¼ miles away in the hamlet of Holme St Cuthbert near to the Church and Church Hall (with the best dance floor in the district - affectionately known as the 'tin hut').

#### 4.4.2 Temporary and seasonal residents, visitors, and tourists

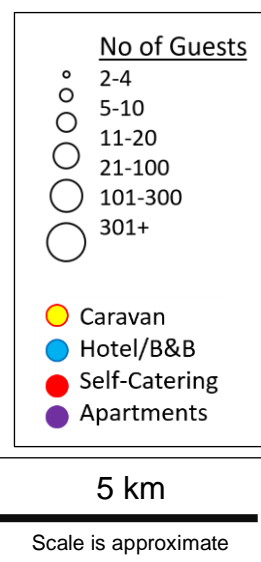
Our local area attracts tens of thousands of visitors every year (7.9m visitors to Allerdale in 2018) and some of these could be potential pub customers! To discover more about our Parish’s temporary residents and where they stay, we surveyed all the local accommodation providers within five miles of the pub. We also looked at Allerdale’s visitor profiles and tourism data, plus information produced nationally by the ‘Scarborough Tourism and Economic Activity Monitor’ (STEAM)<sup>3</sup>.

#### 4.4.3 Where do they stay?

From our consultations we know that visitors from a few of the local Airbnb’s and caravan sites loved coming to the pub to eat, so we identified where else visitors might stay. This information is useful for marketing purposes to target and attract customers to the Lowther Arms, e.g. to advertise new Menus and seasonal/special events.



From our survey we estimate that at least 3,800 people could be accommodated locally on a single night.



Map showing the number, type, and location of local accommodation providers

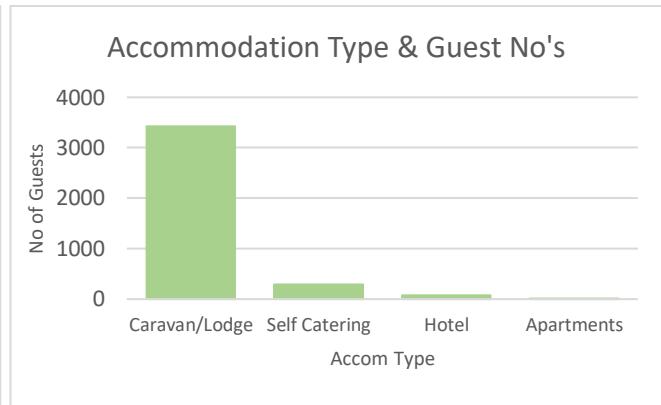
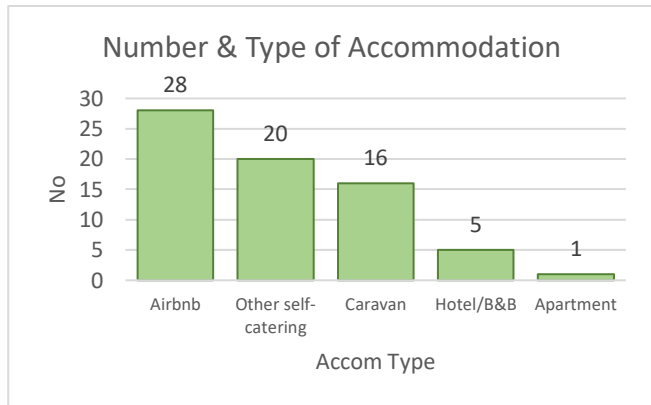
There are 70 accommodation providers within five miles of Mawbray, most of which are small establishments sleeping 2-10 people (51 providers, 72%). Those closest to the pub are all self-catering and include some larger caravan sites. The larger establishments (100+ guests) are Caravan Sites/Holiday Parks with static caravans (both owner/occupied and holiday let), so occupancy patterns differ (and therefore potential customers). Caravan Sites are defined here as largely private, owner-occupied (70-80%) and may not have such high occupancy rates as the Holiday Parks, which are defined as largely letting caravans/lodges, and repeatedly let to visitors/tourists e.g. for short break holidays.

Sleeps	No of Accom. Providers	No of Guests	%
2-4	29	96	41%
5-10	22	160	31%
11-20	4	62	6%
21-100	4	246	6%
101-300	7	1210	10%
301+	4	2030	6%
<b>TOTALS</b>	<b>70</b>	<b>3804</b>	<b>100%</b>

Numbers of local accommodation providers and guests.

Most accommodation places (73%) are self-catering (Airbnb, Other Self-Catering, Caravan), which means pub food offerings could be very popular for those wanting a change from cooking or a different venue to on-site caterers – a lovely country pub can be very appealing, indeed!

There are only three hotels.



Most of the estimated 3,800 guests (89%) that can be accommodated stay in a Caravan or Lodge. If this is a target audience for marketing, then it is easier to visit a few large caravan sites than many smaller establishments.

Accom Type	Guest No's	%
Caravan/Lodge	3430	89%
Self Catering	284	8%
Hotel	76	2%
Apartment	14	1%
<b>TOTAL</b>	<b>3804</b>	<b>100%</b>

*We loved going to the Lowther Arms when we stayed at our caravan. It was lovely to walk there on a summer evening and the food was delicious.*

Many Caravan Sites and Holiday Parks are occupied throughout the year, only closing in late December and during January, so this could mean potential customers almost year-round. The positive feedback from various local accommodation providers indicates the pub was a popular destination for site owners and guests when it provided traditional pub food and atmosphere, especially if within walking distance.

**Assumptions**  
 The estimated number of Guests staying overnight is based on two people staying in one static caravan/tent/AirBnB etc, except where the accommodation provider states number of beds. Of course, some caravans will accommodate more guests, but our estimates are intended to be conservative.

Obviously, tourism is seasonal, so thought needs to be given to ways of sustaining income streams in quieter pub trading times, and perhaps scheduling maintenance activities then.



*View from nearby North Lakes Country caravan park, showing the Tarn and views to Scotland across the Solway*

## 5. Who are our customers?

From our consultations, feedback, and past experience, we know there are different groups of people who come to the area and visit the pub. They include:

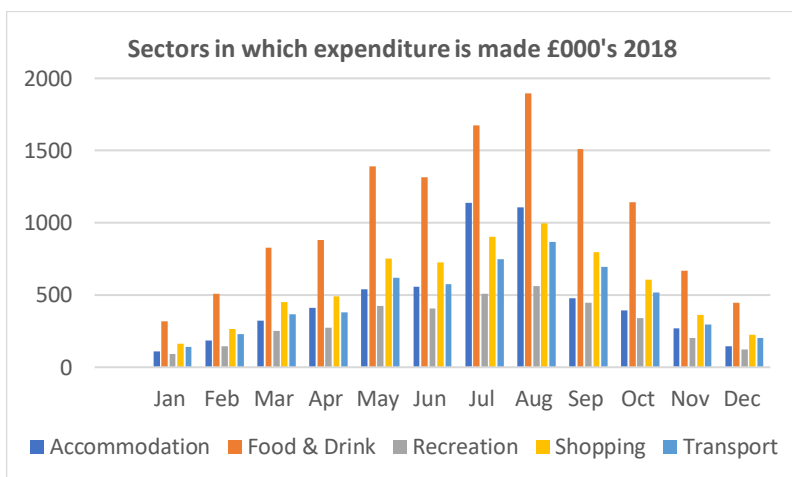
- Dog walkers
- Families
- Holidaymakers, day trippers
- Cyclists, walkers
- Birdwatchers, wildlife enthusiasts, photographers
- Campers, caravanners, campervan-ers
- Second homeowners (holiday cottage or caravan)

We also know we have a 180-degree catchment area because the sea is along one side.

According to Allerdale’s tourism data, 90% of visitors to the eight parishes around our coastal zone between Silloth and Allonby are from the UK, and 35% of these come from the North East (e.g. Newcastle & Middlesbrough). 83% are over 45 years of age and 18% are disabled. The main reasons for visiting are:

- scenery
- been before
- peace
- relaxation
- beauty

It is estimated these visitors spent over £55m in 2018, and over a third of this was on food and drink.



	£	%
Food & Drink	12,576,000	36.6
Shopping	6,735,000	19.6
Accommodation	5,659,000	16.5
Transport	5,638,000	16.4
Recreation	3,774,000	11.0
<b>Sub-Total</b>	<b>£34,382,000</b>	<b>100.0</b>
VAT	6,876,000	
Indirect spend	14,181,000	
<b>Total</b>	<b>£55,439,000</b>	

Visitor spend in 2018, by sector

‘Day Visitors’ and ‘Non-Serviced Accommodation’ (e.g. self-catering) were the top categories giving rise to tourism expenditure. Overnight stays increased in 2018, and Cumbria’s tourism by 3.7%.<sup>3</sup>



	£
Day Visitors	26,446,000
Non-Serviced Accommodation	26,186,000
Serviced Accommodation	2,158,000
SFR (Staying with Friends & Relatives)	649,000
<b>Total</b>	<b>£55,439,000</b>

Tourism expenditure by category, 2018

The village has stunning views, is in an Area of Outstanding Natural Beauty and holds lots of natural and historical qualities

This means the Lowther Arms is well placed to take advantage of this tourism by delivering great food, drink, and accommodation space (caravan/campsite/campervan).

With regard to visitor numbers Post Covid-19, the indications are that staycations are booming already and pubs are seeing a huge surge in interest - which can only help the hospitality industry.<sup>7</sup>

The 'Visitor Profiles' produced by Allerdale Borough Council help us to identify our key target audience (full details in Appendix 9):

Visitors	Searching For	Spending
Family #2	Main Summer Holiday (affordable things Outdoors / Historical / Educational / Fun)	Low/Mid
45+	Short Relaxing Break (peace & quiet, coast and mountain walks, quality food experiences, nostalgic return)	Mid/High
60+	Active Day Trip (peace & quiet, coast and mountain walks, nice pub/cafe, walking routes they haven't discovered)	Low
70+	Day Trip (nice lunch/afternoon tea, nice scenery, company with others, day out, not too picky where)	Low
Solo Adventurer	Spontaneous Weekend Adventure (peace & quiet, mountain walks, nice pub/café, new place in area, visits regularly)	Low
'Extreme' Sports	Adventure Weekend (ultra events – marathons, activities, free swimming, kitesurfing, accommodation/facilities alongside activity)	Low

Here is one example of a 'Visitor Profile', the '45+' category:

**Searching For:**  
 Short Relaxing Break  
 Mid-Short Journey Time  
 Nostalgic return to area already visited in the past

**Attracted By:**  
 Peace and Quiet  
 Coastal and Mountain Walks  
 Quality Food Experiences

**Booking**  
 Research on mobile/tablet  
 Book directly via Airbnb or local pub/B&B/Hotel

**Likelihood of visiting Allerdale**  
**Currently: Likely** – a destination that's quieter than tourist honey-pots and near the coast.  
**For Future** – try to encourage return visits, tell friends and family about the area

**Spending:** Mid/High

## 6. How do we attract these customers?

Attracting and keeping customers is vital for pub survival so we must provide what customers want. *"The Lowther Arms will need to attract visitors not just from the village but from a catchment area beyond the boundary of the village. In order to maximise on any existing market, the future operator of the pub must be able to equal the standards achieved in competitor outlets and also provide a unique reason to visit the Lowther Arms rather than one of the other pubs, cafes and other leisure establishments in the area".<sup>4</sup>*

According to research, 90% of profit comes from repeat business and it is eight times more costly to find a new customer than it is to maintain a current one<sup>8</sup>. So, we must look after our customers well. Increasing the 'dwell time' of a customer is important, too. For example, a customer coming into the shop to buy milk may stop to buy a coffee or takeaway bacon roll, and then maybe return later for a meal. To help us, we are working with the local Lakes College Hospitality and Catering department.

### 6.1 Essential services

The pub aims to offer a very warm welcome and excellent, accessible facilities. The services on offer must match customer needs and the standards must always be high, so staff training is important. Essential services must include:

- Great food and drink
- Safe parking
- Café & campsite
- Disabled access/Toilet
- Tourist information
- Essentials shop
- High hairs, Children's menu, Nappy changing
- Online information & booking
- Dog water bowls

## 6.2 Additional services

Understanding and catering for customers' specific needs will enable the pub to establish an excellent reputation. Some services may be phased in later, finances permitting, because it's important to maximise income from the available space at the start. For example, a pool table may have to wait if the pool table floorspace will generate more income from dining tables. Additional facilities could include:

- Takeaway snacks, Ice creams, Drinks & sweets
- Drying room, Laundry Room, Showers
- Secure storage (e.g. bicycles, expensive equipment)
- Taxi, Minibus or Shuttle service
- Breakfast bacon butties
- Pool table, Darts Board
- Camping pods
- Camping/Cycle/Beach/Pet accessories

Ticking all the boxes on this Hadrian's Cycleway checklist, for example, will attract cyclists and a share of Allerdale's annual £39m income from leisure cycling. The pub is invisible to cyclists on the coast road, so a simple pub sign or 'A' board is needed to advertise the pub's presence to a huge new market.



'Sustrans' postcard from the Allerdale and Solway Coast initiative which promotes cycle friendly facilities locally (2019)

## 6.3 Other attractions and promotions

Attracting new and loyal customers will help secure the long-term future of the pub. This means promotions on social media and the website; advertising; marketing; plus working with other distribution networks and Allerdale's Tourism Destination Manager.

The pub's Monday Quiz night and themed events were always popular, and other ideas include:

- Venue for more formal social events (Probus, Rotary)
- Whisky tasting tutorial evening with CAMRA
- Ale trail (in association with CAMRA (local and national))
- Groups: Star gazers, Ramblers, Bird watchers, Drink & Draw, Book club
- Refreshment stop for Secret Solway Tours, Local blue badge guides, Minibus tours
- Themed food night (e.g. with other food producers, slow food, cheese event, organic, Italian, seafood)
- Sunday meat raffle
- Darts, Dominoes leagues, Quiz, Pool
- Beer festival
- Ale tasting (invite a brewery)
- Music night (e.g. Beer with Beethoven)
- Summer BBQ
- Easter Egg hunt
- Christmas raffle

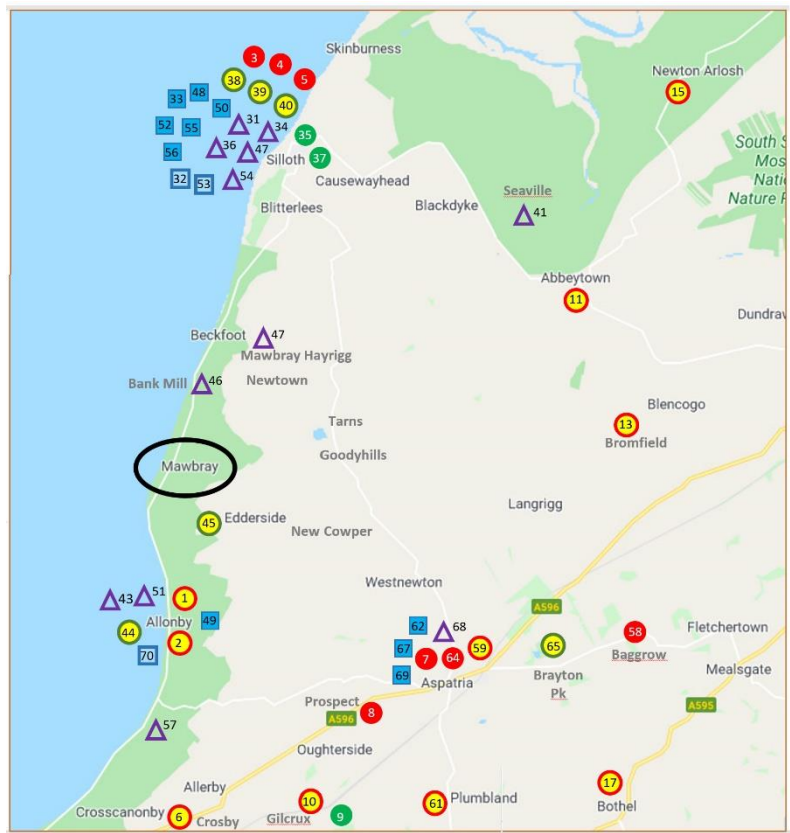
The pub must be prepared to cope in more difficult times too (e.g. coast road closures, pandemic) and perhaps diversify. For example, during Covid-19, the two pubs in Allonby played a central role keeping their village going with a mini menu food takeaway service and off-licence. Community spirit soared and this has not gone unnoticed in Mawbray. The Lowther Arms could also consider a takeaway or delivery service to caravan sites or local homes as an extra income stream winter and/or summer.

*To encourage families there is a fabulous climbing park to let off steam before heading to the beach and the treasures right outside the pub*

We also need to understand what other food and drink providers are offering in the area (our competition) to ensure we are a first-choice destination. We want to create happy memories and make it an easy choice for people to come to the Lowther Arms.

## 7. Who are the other food and drink providers in the area?

To find out how much competition there is locally, we listed all the food and drink providers within a rough 10-mile radius of Mawbray. We also collected details such as the type of venue (e.g. pub, restaurant, cafe or takeaway) and their opening hours.



- Pub
- Pub & Food
- Bar only (e.g. Hotel)
- Restaurant & Bar
- Restaurant
- ▲ Café/Tea Room
- Takeaway Meals
- Takeaway Snacks

5 km  
Scale is approximate

Map showing food and drink providers in the area (Mawbray is circled).

The map shows a cluster of food and drink providers in Silloth, a few in Allonby and Aspatria, but very few providers around Mawbray. This lack of provision and local competition indicates a gap in the market which could be filled by the

Lowther Arms: e.g. a traditional country pub with great food, plus services like a caravan/campsite site and essentials shop for locals, visitors and tourists.

### 7.1 Opening hours

The opening hours of other pubs gives us a good idea about customer demand and what already works locally. Out of 14 pubs, nine (64%) are open five or more days a week and many also open during the day and evening (some opening hours details were not available).

Pub, Pub & Food, Pub & Restaurant				Mon		Tue		Wed		Thur		Fri		Sat		Sun	
Ref	Venue	Type	Village mil	am	l/und/pm/eve	am	l/und/pm/eve	am	l/und/pm/eve	am	l/und/pm/eve	am	l/und/pm/eve	am	l/und/pm/eve	am	l/und/pm/eve
1	Ship Hotel	Pub & Food	Allonby 3														
2	Jacks Surf Bar/Bay	Pub & Restaur	Allonby 3														
3	The Cumberland Inn	Pub	Silloth 5														
13	Ye Olde Greyhound	Pub & Restaur	Bromfie 5														
4	The Albion Inn	Pub	Silloth 5.3														
5	Balmoral Hotel	Pub	Silloth 5.5														
7	The Letters Inn	Pub	Aspatria 6.5														
11	Wheatsheaf Inn	Pub & Food	Abbeytc 6.5														
64	Grapes Hotel	Pub	Aspatria 7														
6	Stag Inn	Pub & Food	Crosby 7														
59	The Sun Inn	Pub & Food	Aspatria 7														
8	The Miners Arms	Pub	Prospect 7.3														
10	Masons Arms	Pub & Food	Gilcrux 8.3														
12	The Bush Inn	Pub & Food	Tallentir 8.5														

Opening hours of pubs within roughly 10 miles of the Lowther Arms, Mawbray.

*We went over there for meals with friends and family and met up with neighbours for a catch-up*



Based on the market research, we propose the following opening times for the café and pub:

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
<b>Cafe &amp; Shop</b>	9-6	9-6	9-6	9-12	9-12	9-12	10-12
<b>Pub</b>	6-11	6-11	6-11	12-11	12-11	12-11	12-11

Our ‘*Business Buyer and Market Evaluation Report*’<sup>14</sup> explains that the pub needs longer opening hours to generate income from additional services and be sustainable, so we expect the café and shop to be staffed by volunteers in the morning so the tenants do not have an extra-long working day. A mini café counter with its own facilities would be separate from the main dining kitchen for ease of management and stock taking. Teas, coffees, and cakes can still be served from the pub outside café opening hours.

## 7.2 How do other food and drink providers compare?

From the market research, it appears the Lowther Arms is not competing in a crowded market. Out of the 71 venues, our observations revealed that the best ones are warm, welcoming, and clean, with pleasant décor, serving good quality, home-cooked food.

Within a five-mile radius of Mawbray, there are only a few venues rated ‘good’ or higher and these are:

- seven pubs that do food or have a restaurant
- two bar/restaurants
- two tearooms

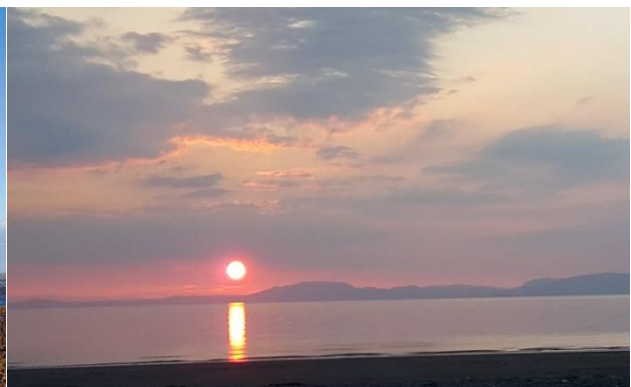
Pubs and restaurants that score highly are clean, nicely decorated, and serve a short but tasty menu of traditional food; the tearooms and cafes are clean, welcoming, and serve home-made cakes. Cleanliness and comfort are rated as very important.

The reasons that other venues did not score well include poor quality offerings, microwaved food, scruffy, dirty, or poorly decorated surroundings, and unwelcoming staff.

The Lowther Arms will obviously gain a great reputation and attract return customers if it excels in customer service and provides food and drink in comfortable, well-kept, surroundings.



*Beach walk on a winter's day*



*Mawbray sunset. Looking across the Solway to Scotland*

*People in the village without a car were able to walk to the pub and have a meal and drink. The Young Farmers met there regularly to get picked up by the bus. People used to meet there and have a drink before catching the bus.*

## 8. Income and Expenditure

The overall financial objectives of the LACPL Community Benefit Society are:

- To let the pub as a Tenancy with full repairing obligations at an affordable rent to enable a viable business to operate, grow, and thrive
- Secure additional income from a café, shop, and caravan site according to the operating model and agreement between the Tenants and the Management Committee
- Establish a repairs and renewals fund with an annual contribution to cover future maintenance and improvements
- Pay for any outgoings that are the responsibility of LACPL (e.g. management costs, buildings insurance, interest on shares), to be paid for out of the Tenants' rent
- Meet any loan repayments, if applicable.

*I have lived in the area since 1958 and throughout this my father and all my family used the pub. We need it to stay open for us, the tourists, and the new cycle path*

### 8.1 Estimated costs to prepare the pub for opening (Min Avg Max)

We estimated the minimum, average and maximum costs of preparing the pub for opening, to help us set our targets for the share issue. The estimated costs range from £19,625 to £57,095 as shown in the table below (full details in Appendix 7). At the time of writing, the cost of buying the pub is not known, so we have based estimates on the market valuation price, £230,000.

Expenditure Item	Minimum	Average	Maximum
Fees	£4,500	£6,800	£10,000
Higher Priority (clean, decorate, tidy etc)	725	5,450	10,945
Medium Priority (minor works, make café counter & cycle storage)	£2,000	£4,050	£7,500
Lower Priority (e.g. install disabled toilet)	0	£1,350	£4,250
Business Items	5,000	5,000	10,000
Other (equip the café counter – coffee machine, fridge etc)	£2,400	£2,400	£2,400
Contingency	£5,000	£10,000	£12,000
<b>TOTAL</b>	<b>£19,625</b>	<b>£35,050</b>	<b>£57,095</b>

At the initial stage of buying the pub and carrying out any repairs and maintenance, we can save quite a bit of money by accepting the help of the many local skilled trades and volunteers. Unavoidable costs include professional fees (e.g. conveyancing, stamp duty) and materials for repairs and maintenance. We anticipate the tenants will stock the pub ready for opening.

### 8.2 Financial viability of the pub

We looked at the pub under different trading conditions to work out which business scenarios were the most feasible and successful to balance both the needs of the tenants and LACPL. Because the pub has been closed for a while, we believe it will take two or three years to build up trade again and increase the customer base to sustainable and profitable levels.

We looked at the financial viability of the pub from two perspectives:

- Viability for the tenant after paying rent to LACPL
- Level of rent required for LACPL to cover its management costs, build prudent financial reserves over time and pay interest to shareholders.

The two issues are linked (as rent is calculated as a percentage of turnover) - but are considered separately here. If the tenants are able to generate a higher level of turnover, this will sustain a higher rental income for LACPL. Similarly, if LACPL needs a higher rental income (to repay a loan for example), the potential operating profit has to be sufficiently high to sustain this and realistic enough to attract a suitable tenant.

The financial forecasts are uncertain because the pub has been closed for 18 months, there are no recent trading figures and post-Covid 19 effects are unknown. Also, the funding of LACPL is not known

at present because we do not know the funding mix between share capital, fundraisers, donations, and grants. We have therefore erred on the side of caution and tried to be realistic and prudent.

### 8.2.1 Viability for the tenants

We estimate it will take two or three years to build up trade and increase the customer base. It will be very difficult to reach maximum potential trade in the short-term. A financial projection summary for the first three years and an estimate of tenant’s opening cash position is given in the table below:

Item & % of turnover	Year 1	Year 2	Year 3
Balance B/F	20,000	30,430	45,274
Turnover	120,000	150,000	150,000
Gross Profit %	60	62	64
Cost of Sales (40%)	48,000	57,000	54,000
Tenant Rent	4,000	10,000	12,500
Extra Staff (20%)	24,000	30,000	30,000
Fixed Costs (19.8% - 11%)	15,867	16,025	16,185
Variable Costs (15.5%)	17,700	22,125	22,125
Total Outgoings	109,567	135,150	134,810
C/F Balance	30,430	45,274	60,459
Profit/Loss	10,433	14,850	15,190

	£
<b>Tenant Initial Working Capital</b>	£36,000
<b>Initial Expenditure by Tenant</b>	
Purchase of Trade Items	£10,000
Stock for 3 months	£3,000
Bond	£3,000
<i>Sub-Total Expenditure</i>	<i>£16,000</i>
<b>Tenant Opening Bank Balance</b>	£20,000

*Example of tenant’s opening cash position*

Financial projections for the Tenants from Year 1 to Year 3.  
Full details in Appendix 6.

The following assumptions were made in these financial projections:

- Two tenants will run the pub (the business cannot sustain a Manager’s and Chef’s wages)
- Turnover increases from £120,000 in Year 1 to £150,000 from Year 2 onwards. Year 1 turnover is based on expert advice, other community pub data and actual pub accounts for which full-year food and drink accounts are available
- Cost of sales for food and drink is based on British Beer & Pub Association standards
- The tenants’ initial capital is £60,000 and Opening Bank balance is £20,000
- Rent increases from an estimated £4,000 in Year 1 to £12,500 in Year 3 (to allow the tenants a ‘soft’ start), rising to £15,000 thereafter.
- Minimum 60% Gross Profit in Year 1, increasing to 64% over three years, and tight control of costs
- Additional staff wages (bar, waiting etc) account for 20% of turnover
- There is income from additional enterprises (café, shop, caravan site), run by volunteers

*This vital piece of village life needs to remain in our community*

In this scenario, the sales target is around £2,400 a week in Year 1 and rises to £3,000 per week in Year 3. If costs are controlled very carefully, we expect the pub to achieve £150,000 turnover in Year 3 and a profit of approximately £15,000 in Year 3. Full details in Appendix 6.

Measures will be taken to maximise customer safety under Covid social distancing measures and to attain maximum trade. The pub has a beer garden and plenty of other outdoor space and it should be feasible to increase the drinking/dining areas by using professional outdoor shelters/gazebos/well-ventilated marquee.

### 8.2.2 Viability for LACPL

The tenant’s rent is LACPL’s main source of income aside from any grants or other fundraisers. The expected major costs are professional fees, building insurance, and any loan repayments. In Year 3, the aim is to begin to pay 3% interest on Members’ shares.

We expect to receive a rent equivalent to 3% of turnover in Year 1 (£4,000), rising to 10% of turnover from Year 5 (£15,000) but only if the pub has established a good trading record and reaches turnover targets. We have been advised that operating “*at a level of fair maintainable trade the rent would be somewhere between £12,000 and £15,000. A rent higher than this should be avoided as the sustainability of the business is compromised.*”<sup>4</sup>

The following table and Balance Sheet estimate LACPL's income and expenditure for one scenario.

It assumes we raise £300,000 in shares, undertake the necessary work to implement all the community facilities, and have tenants from day one. It also assumes the pub valuation price of £230,000. We have been advised to trade for 12 months to "see what works" before undertaking any major alterations. After trading for a year and, when trading is more established, we will have a better understanding of trading potential to evaluate where best to invest money in major improvements and alterations which will help develop the business in future. The figures show that, under this scenario, LACPL can meet all its financial obligations and sustain reserves.

If we raise £300,000 in shares, this model shows we do not need to take advantage of the grant and loan package of up to £100,000, and this will save on loan repayments. If less than £300,000 is raised in shares, we will draw down the Grant and Loan Package, up to a maximum £80,000 (e.g. up to £40,000 grant and £40,000 loan.) A £40,000 loan at 8.3% interest, will result in monthly repayments of £623, or £7,476 a year, over seven years. Alternative scenarios are detailed in Appendix 6.

*Illustration of LACPL Income and Expenditure scenario, Years 1 to 5 where £300,000 is raised in shares, with no Grant/Loan package. (1g)*

	Yr1	Yr2	Yr3	Yr4	Yr5
<b>CAPITAL/START-UP</b>					
<b>Income</b>					
Share Capital	300,000				
Donations	0				
Start-up Grants	0				
Loan	0				
<b>Total</b>	<b>£300,000</b>				
<b>Expenditure</b>					
Asset Purchase including Trade Items	230,000	230,000	235,000	245,000	260,000
Repairs & Improvements (Buy & Sort)	42,695				
Set up Costs	2,400				
<b>Total</b>	<b>£275,095</b>				

<b>REVENUE</b>					
<b>Income</b>					
c/f (e.g. bank balance)	<b>24,905</b>	<b>19,805</b>	<b>22,372</b>	<b>18,374</b>	<b>16,812</b>
LACPL Existing Bank Balance	2,000	0	0	0	0
Tenants Rent	4,000	10,000	12,500	15,000	15,000
Tenants buys pub trade items	10,000	0	0	0	0
Grants/Donations	0	0	0	0	0
Fundraising	0	0	0	0	0
<b>Sub-Total: In Year Income</b>	<b>16,000</b>	<b>10,000</b>	<b>12,500</b>	<b>15,000</b>	<b>15,000</b>
<b>Total Available Funds</b>	<b>40,905</b>	<b>29,805</b>	<b>34,872</b>	<b>33,374</b>	<b>31,812</b>
<b>Expenditure</b>					
Loan 1 Repayments	0	0	0	0	0
Loan Fee	0	0	0	0	0
Share Interest	0	0	9,000	9,000	9,000
Contribution to Repairs & Renewals Fund	1,000	1,000	1,000	1,000	1,000
Management Costs	200	202	204	206	208
Legal & Compliance	500	505	510	515	520
Accountancy Fees	750	758	765	773	780
Professional Fees	4,800	800	808	816	824
Printing Postage Stationery	200	202	204	206	208
Buildings & Employer Liability Insurance	1,000	1,010	1,020	1,030	1,041
Website Maintenance	250	253	255	258	260
Plunkett Membership	400	404	408	412	416
Bank Charges	0	300	303	306	309
Other Costs / Contingencies	12,000	2,000	2,020	2,040	2,061
<b>Total</b>	<b>21,100</b>	<b>7,433</b>	<b>16,497</b>	<b>16,562</b>	<b>16,628</b>

**Balance Repairs & Renewals Fund**      1,000      2,000      3,000      4,000      5,000

<b>Pre Tax In Year Income</b>	<b>£19,805</b>	<b>£22,372</b>	<b>£18,374</b>	<b>£16,812</b>	<b>£15,184</b>
Shareholder Interest	0	0	9,000	9,000	9,000

<b>Share Capital &amp; Loan Balances Remaining</b>					
Share Capital	300,000	300,000	300,000	300,000	300,000
Loan 1	0	0	0	0	0
<b>Total</b>	<b>£300,000</b>	<b>£300,000</b>	<b>£300,000</b>	<b>£300,000</b>	<b>£300,000</b>



In the same scenario, the following Balance Sheet gives an idea of the overall assets and liabilities from Years 1 to 5, assuming no shares are redeemed and 3% interest on shares can start to be paid to investors from Year 3. It also assumes there are no further share issues and the tenants' rent rises until Year 4.

The figures assume the pub and land (fixed assets) gradually increase in value and there are sufficient funds to meet obligations. Management costs are estimated to rise by roughly 1% per year.

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Fixed Assets</b>					
Value of Building including land (Until the market settles post-Covid19, this assumes 2.5% increase Yr1, then 5% from Yrs 2 to 5, to the maximum valuation £270,000)	230,000	230,000	235,000	245,000	260,000
Less depreciation (assume depreciation is zero as the asset will increase in value)	0	0	0	0	0
<i>Fixed Assets Sub Total</i>	<b>230,000</b>	<b>230,000</b>	<b>235,000</b>	<b>245,000</b>	<b>260,000</b>
<b>Current Assets</b>					
Bank Balance	25,105	20,005	22,572	18,574	17,012
Tenants Rent	4,000	10,000	12,500	15,000	15,000
<i>Current Assets Sub Total</i>	<b>29,105</b>	<b>30,005</b>	<b>35,072</b>	<b>33,574</b>	<b>32,012</b>
<b>Current Liabilities</b>					
Management Costs	21,100	7,433	16,497	16,562	16,628
Interest on Shares (3%)	0	0	9,000	9,000	9,000
<i>Current Liabilities Sub Total</i>	<b>21,100</b>	<b>7,433</b>	<b>25,497</b>	<b>25,562</b>	<b>25,628</b>
<b>Total Net Assets</b>	<b>238,005</b>	<b>252,572</b>	<b>244,575</b>	<b>253,012</b>	<b>266,384</b>
<b>Financed by</b>					
Share holdings (B/F)	300,000	300,000	300,000	300,000	300,000
Share Redemptions	0	0	0	0	0
Share Holdings (C/F)	300,000	300,000	300,000	300,000	300,000
<b>Reserves</b>	0	0	0	0	0
<b>Total</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>

LACPL Balance Sheet, Years 1 to 5.



The pub is the last service in the village and should be preserved and developed to enable the village to grow and become another tourist attraction along the west coast.

## 9. What we expect will happen – Social Impact Matrix

This table summarises some of the expected effects and impact of the project and how activities will be monitored to ensure the project is successful.

What 'More Than A Pub' service or activity will you provide?	Which group(s) or types of individual(s) will benefit from this?	How many people from each group do you estimate will benefit each year? <sup>1</sup>	When, and how frequently, will these group(s) access the service or activity? e.g. weekly, monthly.	What outcomes or benefits will those group(s) experience as a result of accessing this service or activity?	How will you monitor whether these outcomes are being achieved?	How frequently will you monitor whether these outcomes are being achieved?
Buy, refurbish and open The Lowther Arms pub  Provide food and drink at various times	1 Local residents in the Parish 2 Tourists/visitors 3 Local businesses, producers and suppliers (growers / trades / artisans / art & craftworkers) 4 Local people seeking employment/volunteer/training opportunities	1 300 <sup>1</sup> 2 22,000 <sup>2</sup> 3 30  4 80 <sup>3</sup>	Daily, weekly, monthly, annually.  The pub will open most days (during the day and evening) all year-round.	Significant positive event for the community, demonstrating the power to change things that matter to them.  Increased sense of well-being from a warm, welcoming inclusive atmosphere that is also family & dog friendly (with great children's play space outside the pub)	Number of people visiting the pub and staying at the campsite. Entries in the visitor book, reviews in the good beer guide. Social media hits. Press coverage. Tenant's diary. Successful club/group visits.	Monthly management committee meetings. Quarterly meetings and staff review the tenant. AGM
Social meeting place/display space with refreshments & other facilities in the centre of the community	1. Local Residents Elderly residents Clubs and societies Local workers Families 2. Local Businesses	1. 300     2. 30	Daily, weekly, monthly	Reduce social isolation and improve well-being by socialising with like-minded individuals. Provision of a new sales/display/business space	No of bookings and attendance at/sales from exhibitions and events. Tenant's diary	"
Parcel drop-off and collection service	Local residents, in particular those with limited mobility and no access to transport. Families with babies and small children. Local businesses & people who work from home	300	Daily, weekly, monthly	Improved well-being and money savings by having a local service and not having to travel to access services in the towns a few miles away.	Maintain delivery and collection records	Daily. Weekly. Monthly management committee meetings. Quarterly meetings and staff review the tenant. AGM
Dry cleaning drop-off and collection service	Local residents, especially those with limited mobility and no access to transport. People who work from home and/or commute longer distances to work so cannot get to local towns during normal business hours. Families with babies and small children	300	Daily, weekly, monthly	Improved well-being and money savings by having a local service and not having to travel to access services in the towns a few miles away.	Maintain delivery and collection records	"
Pop-up health	Local residents, in particular those with limited mobility and no access to transport. People who work from home and/or commute longer distances to work so cannot get to local towns during normal business hours.	200	Monthly, quarterly	Improved health and well-being and money savings by having more accessible services. service	Maintain meeting/space booking records.	Monthly management committee meetings.

What 'More Than A Pub' service or activity will you provide?	Which group(s) or types of individual(s) will benefit from this?	How many people from each group do you estimate will benefit each year? <sup>1</sup>	When, and how frequently, will these group(s) access the service or activity? e.g. weekly, monthly.	What outcomes or benefits will those group(s) experience as a result of accessing this service or activity?	How will you monitor whether these outcomes are being achieved?	How frequently will you monitor whether these outcomes are being achieved?
	Families with babies and small children					
Free Wi-Fi	1 Pub users (locals/visitors) 2 Clubs & Societies. 3 Businesses	1.8,800 2.300 3.300	Daily	The village has a superfast broadband connection; many areas of parish do not. Improved access to better broadband will benefit people and help them access digital services not normally available to them.	Feedback from users	Daily. Weekly. Monthly management committee meetings. Quarterly meetings and staff review the tenant. AGM
Coffee shop/Cafe	1 On-site caravanners/campers 2 Local residents. 3 Visitors/tourists.	300 <sup>4</sup> 300 22,000	Daily	Access to a service not available nearby. Meeting, socialising in a safe, warm and welcoming, inclusive space	Receipts. Feedback. Entries in the Visitor Book. Reviews on Trip Adviser. Local supplier feedback	"
Essentials shop	1 On-site caravanners/campers 2 Local residents. 3 Visitors/tourists.	300 <sup>4</sup> 300 22,000	Daily Weekly Monthly	Access to essential items like basic foodstuffs, papers etc not otherwise available	Receipts, customer numbers, feedback.	"
Camping/caravan site	1 On-site caravanners/campers 2 Local residents. 3 Visitors/tourists..	300 300 22,000	Daily weekly monthly	Staying in a quiet rural location, in AONB, with onsite pub and excellent facilities	Customer feedback, receipts, bookings, reviews	"
Secure cycle storage and sale of cycle spares	Cyclists on Hadrian's Cycleway (HCW), England Coast Path, and local cyclists/cycle groups.	500	Daily. Weekly. Monthly	Access to services and spares not available elsewhere locally (as the area is remote rural with few shops and cycle facilities). Local bike hire shop in Allonby is closing (for sale)	Sales receipts. Bookings. Visitor Book. Customer feedback.	"
Tourist information	Onsite caravanners/campers Visitors and anyone wishing to obtain information about the local area.	300 22,000	Daily Weekly Monthly	Gain information about the local area so they have a more enjoyable stay (tourist info, maps, guides, history, wildlife, economy, ecology). Info for possible return visits.	Number of enquiries. Quantities of leaflets and information taken or sold (sales receipts). Customer feedback. Visitor book.	"
Periodic resident reviews	Local residents	300	Annually	Ability to give feedback on their personal experience of the pub (positive and negative) and suggestions for improvements.	Meeting minutes. Changes made as a result of reviews	
Free meeting space	Local residents. Friends. Families. Local businesses	330	Daily Weekly Monthly	Those who have difficulty getting to/paying for other meeting spaces. Cost saving. Accessible space.	Bookings, feedback, number of enquiries.	"

<sup>1</sup> Estimated 75% of 465 residents will visit the pub in a year. Assumes not all residents in the parish will use the pub.

<sup>2</sup> Estimated approx. 25% of local tourists/visitors will visit the pub/yr. Data from Cumbria Tourism Research Newsletter 2017, 2018; STEAM (Scarborough Tourism Economic Activity Monitor) 2018, Allerdale BC Tourism data for Allerdale: £480m tourism spend, 6.7m visitors. Silloth cluster of 8 parishes: £55m visitor spend, estimated 88,000 visitors (of which est 75,000 day visitors, 13,000 overnight stays/yr.

<sup>3</sup> Estimated from the number of people aged 15-24 in the Parish (Total 88).

<sup>4</sup> Estimated number of people staying on the caravan/campsite a year.

<sup>5</sup> Estimated 40% of total visitor numbers will use Wi-Fi

## 10. What are our strengths and weaknesses? What might go wrong?

This section identifies the strengths/opportunities, weaknesses, and risks associated with the project. The risks are assessed according to the likelihood of occurrence and level of impact on the project should they occur.

### 10.1 Strengths and Opportunities

Strengths and Opportunities	
Source of community pride	<ul style="list-style-type: none"> <li>Re-establishing a revered institution at the heart of the community</li> <li>Retaining the last service in the village</li> <li>Recreating memories for the future</li> </ul>
Core team	<ul style="list-style-type: none"> <li>Enthusiastic &amp; committed; open to new ideas</li> <li>Members from local community with local knowledge/expertise</li> </ul>
Community support	<ul style="list-style-type: none"> <li>High level of community support with a shared ownership model</li> <li>Close-knit, traditional, working community willing to help/volunteer</li> <li>Public consultations have received positive responses from the community</li> <li>Pub is registered as an Asset of Community Value</li> </ul>
Wider group of supporters offered skills	<ul style="list-style-type: none"> <li>Local producers/Suppliers/Artisans/Art &amp; Craft workers</li> <li>Trades/Technical/Digital/Media/Marketing/Graphic Design/Admin/Professional</li> <li>Publican/Catering/Customer Service</li> </ul>
External support	<ul style="list-style-type: none"> <li>Pledgers, donors, non-local supporters</li> <li>Funders &amp; professionals: Plunkett, Cumbria Community Foundn, CMS, CAMRA</li> <li>Local councillors, local authority &amp; tourism dept, other pubs and local business</li> <li>Media (CN group, Radio Cumbria, local news/magazines)</li> <li>Patrons Elaine &amp; Malcom Wilson (M Sport Ltd)</li> <li>Prince of Wales (supported previous project)</li> </ul>
Develop 'More Than A Pub': a reinvigorated and reputed local pub owned by the community/investors	<ul style="list-style-type: none"> <li>Great Food and Drink – make food a major attraction</li> <li>Beer Garden/Play Area/Caravan and campsite/Longer opening hours</li> <li>Establish shop and café, meeting place (business, pop-up health)</li> <li>Develop caravan and campsite; facilities for cyclists and walkers</li> <li>Create essentials shop, mini-library, Wi-Fi, courier/dry-clean drop-off point</li> </ul>
Social impact of a community venue & hub	<ul style="list-style-type: none"> <li>Reduce loneliness and social isolation: Warm welcoming inclusive place for locals, friends, families, business, clubs &amp; societies, to eat/drink/meet/chat.</li> <li>Hold social events (e.g. quiz, pub games, theme nights, wine tasting, groups)</li> </ul>
Employment, training, and volunteering	<ul style="list-style-type: none"> <li>Bar and waiting staff; work experience in pub, restaurant, kitchen, café and caravan/campsite</li> </ul>
Tenanted pub	<ul style="list-style-type: none"> <li>LACPL will secure an income from the tenant</li> <li>The tenant will take on the risk, not LACPL</li> </ul>
	<ul style="list-style-type: none"> <li></li> </ul>
Increase customer base, attract visitors	<ul style="list-style-type: none"> <li>Incentive for shareholders and community to be customers</li> <li>Large numbers of visitors/tourists already visit and stay in the area</li> <li>Work with local authority/tour guides/businesses and Cumbria Tourism</li> </ul>
Unique Selling Points (USP's)	<ul style="list-style-type: none"> <li>Traditional country pub; family and dog friendly</li> <li>Solway Coast Area of Outstanding Natural Beauty, beach, and Nature Reserve</li> <li>England Coast Path. Hadrian's Cycleway (HCW). Roman Heritage.</li> <li>Views of fells and coast; unspoilt countryside</li> <li>No other pubs within 3 miles</li> </ul>
Third party offer is accepted for the pub	<ul style="list-style-type: none"> <li>Boost to project – establish joint venture to develop community pub</li> </ul>
Legal entity	<ul style="list-style-type: none"> <li>Incorporated as Community Benefit Society adds project credibility</li> </ul>
Investment in bricks and mortar	<ul style="list-style-type: none"> <li>Underlying value to the building and land</li> <li>Freehold to be owned by LACP Ltd</li> </ul>

### 10.2 Weaknesses

Weaknesses	Mitigation
Pub has been closed for over a year so it will take time to rebuild trade	<ul style="list-style-type: none"> <li>Good business planning</li> <li>Good marketing plan</li> </ul>
Design and layout may limit covers	<ul style="list-style-type: none"> <li>Look at extending the premises in the future</li> </ul>
There may be a low take up of share offer	<ul style="list-style-type: none"> <li>Media and Marketing campaign</li> </ul>
Tenant's flat has no kitchen	<ul style="list-style-type: none"> <li>Review scenarios &amp; living arrangements, use pub kitchen</li> </ul>
Lack of accessible toilet	<ul style="list-style-type: none"> <li>Improve existing facilities; install disabled toilet</li> </ul>
Insufficient parking for increased number of customers	<ul style="list-style-type: none"> <li>Improve existing facilities where possible. Consider extending parking – liaise with neighbours re impact</li> </ul>
Impact of more people and vehicles on neighbours	<ul style="list-style-type: none"> <li>Involve the neighbours and community re any issues and decisions</li> </ul>



### 10.3 What Might go wrong? Key risks to the project

The following table lists the likelihood of occurrence and impact of each risk:

Risks and Threats	Probability	Impact	Mitigation
<b>Project Stage</b>			
Community support for project falls. (small community, ageing population, relying on a few individuals)	Low	High	<ul style="list-style-type: none"> <li>Encourage participation. Seek wider support.</li> <li>Keep people informed. Use communications that replicate the way the community consumes media. Not just social media but physical posters, and 'old fashioned' marketing, door to door, local events, etc</li> </ul>
Fail to obtain grants	Low	Medium	<ul style="list-style-type: none"> <li>Produce Funding Action Plan</li> <li>Apply for loan(s)</li> <li>Share Issue</li> <li>Seek donations/crowdfunding/business angels</li> </ul>
Lack of pub experience and other training	Low	Medium	<ul style="list-style-type: none"> <li>Work with experienced local publican</li> <li>Network with Plunkett and other community pubs</li> <li>Obtain professional help with tenant/staff recruitment</li> </ul>
Vendor will not agree price	Low	High	<ul style="list-style-type: none"> <li>Use professional mediation</li> </ul>
Vendor applies for 'Change of Use'	High	High	<ul style="list-style-type: none"> <li>Object to planning application. Maintain ACV</li> <li>Work with vendor and local planning authority</li> </ul>
Lack of professional expertise	Low	Medium	<ul style="list-style-type: none"> <li>Contract out work (e.g. feasibility study) to give credibility to venture</li> </ul>
Lack of expertise for refurbishment	Low	Medium	<ul style="list-style-type: none"> <li>Seek professional help, e.g. architect, interior designer</li> </ul>
Insufficient share capital is raised for pub purchase	Low	High	<ul style="list-style-type: none"> <li>Extend timing of share offer</li> <li>Consider another scenario (e.g. additional campaigning)</li> <li>Additional loan(s)</li> </ul>
Third party offer is accepted for the pub from a developer	Low	High	<ul style="list-style-type: none"> <li>Co-operate with potential owners, halt share offer.</li> <li>Abandon project and return investments</li> </ul>
<b>After pub is bought</b>			
Insufficient external finance	Low	High	<ul style="list-style-type: none"> <li>Source alternative funding</li> </ul>
Insufficient overall funding	Low	High	<ul style="list-style-type: none"> <li>Abandon project and return investments</li> </ul>
Repairs and improvements are more than can be afforded	Low	Medium	<ul style="list-style-type: none"> <li>Consider scenarios</li> <li>Second share issue</li> <li>Additional loan(s)</li> </ul>
Unforeseen repairs are more than can be afforded	Low	Medium	<ul style="list-style-type: none"> <li>Consider scenarios</li> <li>Second share issue</li> <li>Additional loans(s)</li> </ul>
A tenant cannot be found	Low	Low	<ul style="list-style-type: none"> <li>Re-advertise</li> <li>Engage local publican (project volunteer) temporarily; Use skilled local staff</li> <li>Secure agency interim</li> <li>Reconsider operating model</li> </ul>
Tenant leaves or is dismissed without notice	Medium	Medium	<ul style="list-style-type: none"> <li>Recruit carefully</li> <li>Engage local publican (project volunteer) temporarily; Use skilled local staff</li> <li>Register with emergency landlord scheme.</li> <li>Ensure reserves are sufficient to pay an interim for 6 months</li> <li>Seek new tenant</li> <li>Consider other options</li> </ul>
Successive tenants fail to make project work	Low	High	<ul style="list-style-type: none"> <li>Sell the property</li> </ul>
Business fails to be a going concern	Medium	High	<ul style="list-style-type: none"> <li>With tenant, re-visit marketing strategy</li> <li>Seek alternative tenant</li> <li>Sell the property</li> </ul>
Building destroyed by fire or other cause	Low	High	<ul style="list-style-type: none"> <li>Insurance</li> </ul>
Customer or staff injuries	Low	High	<ul style="list-style-type: none"> <li>Adequate Health and Safety policies and risk assessment by tenant</li> <li>Insurance</li> </ul>
Coastal flooding or coast road destroyed (so access to pub is restricted)	Low	High	<ul style="list-style-type: none"> <li>Implement the 'business as usual' strategy (road closures happen during seasonal high tides)</li> <li>Liaise with councillors &amp; Highways re options</li> </ul>
Foot & Mouth, BSE, Covid-19 or other pandemic	Low	High	<ul style="list-style-type: none"> <li>Disaster planning</li> <li>Implement isolation strategy (e.g. takeaways)</li> </ul>
Fail to get planning permission for alterations	Low	Medium	<ul style="list-style-type: none"> <li>Employ good architect/professionals</li> </ul>
General economic uncertainty	Medium	Medium	<ul style="list-style-type: none"> <li>Review Business plans</li> <li>Consider scenarios</li> </ul>
Unforeseen problems	Low	Medium	<ul style="list-style-type: none"> <li>Contingency budget</li> </ul>

The greatest risks are failing to get sufficient community support for the project so, to help mitigate this, it is important to have regular community updates, plus opportunities for people to get involved.

Failing to raise the necessary funds to buy the pub is a possibility, in which case, options include extending the share offer, seeking additional loans, and/or greatly increasing the visibility of the fundraising campaign.

In the event a third party buys the pub and does not want to work with LACP, any monies will be returned, and the group will co-operate with the new buyer.

Once the pub is up and running, the greatest risks are the business failing, so options could include looking again at the business finances and strategy or recruiting a new tenant.

Other risks include unforeseen circumstances like the prolonged closure of the coast road (which could mean fewer customers) and pandemic. Coast road closures are now well-managed by the local authority with good signage and diversions to enable people to use alternative routes to reach their destination. At strategic points there are road signs which clearly indicate "Businesses open as usual".

To help us plan ahead we compiled a list of 'Critical Success Factors' and summarised these in Appendix 3.



*For over 40 years we used the pub for many family gatherings, meals and buffets, the quiz, camping accommodation for visiting friends and also employment for younger members of the family.*

*It's a great meeting place and for social gatherings over the years, like birthdays, parties, retirement do's and get togethers.*