



# The Drovers Inn



Location	Dorset
Founded	2015
Legal structure	Community benefit society (Gussage Community Benefit Society Limited)
Description of services	A community pub serving food
Key assets	The building
Employees	The Drovers Inn employs 2 full-time and 6 part-time staff
Volunteers	Approximately 60 (a nine person board, plus 50 <i>ad hoc</i> volunteers)
Most important skill set(s) to successfully running the business	Financial, strategic management and communication skills
Biggest obstacle to success	Lack of access to finance to fund the business
Relationships	<ul style="list-style-type: none"> <li>– Local authority</li> <li>– High street bank</li> </ul>
Notes	<ul style="list-style-type: none"> <li>– Board members have a mixture of high-level skills that have been used to navigate complicated council regulations and legal processes to acquire the pub</li> <li>– From the start of the process to open the pub the local community has been fully engaged and consulted with regularly on all aspects of the project. This has helped to build a momentum behind the campaign</li> <li>– There is a strong desire from both the tenant and the pub owners to share information with each other about how the business is doing and work collaboratively to ensure its success. Both parties have invested financially and emotionally in the venture</li> </ul>

This case study report provides an overview of the Drovers Inn pub, owned by the Gussage Community Benefit Society, and describes the factors that are perceived to underpin its success. The findings are drawn from research commissioned by Power to Change and carried out by NatCen Social Research and WPI Economics. More information about the study and additional research reports can be found on the Power to Change website.

## Overview of The Drovers Inn

In November 2014 The Drovers Inn in Dorset, previously owned by a large commercial brewery, closed. The local community had not been given any notice of the pub's closure and were upset about losing a valuable community space. They came together in December of that year to understand how they might stop the property from being bought by a housing developer. The local council informed them that they would need to provide a viable business proposition in order to successfully fight the change of use planning application, so the community developed a robust business case and quickly learnt how they could raise funds to buy the pub.

Following support from the Plunkett Foundation, the community established themselves as a legal entity, the Gussage Community Benefit Society Limited (GCBS), listed the pub with their local council as an 'asset of community value' (ACV) and established their intent to bid. This legislation allowed GCBS a six-month moratorium during which the property could not be sold to private investors.

The pub re-opened in the summer of 2016 under the management of an experienced tenant, following an open recruitment process. The business aims to retain a sense of what it means to be a village pub serving the local community and in addition markets itself as a 'destination pub'. Serving good quality, reasonably priced food is a key feature of the business model as it is expected that this will enable the business to remain financially viable. The tenant has a nine-year lease on the pub, which it is hoped will provide the local community with a degree of stability over the coming years. The tenant meets regularly with GCBS to discuss all aspects of the business.

## Success factors for The Drovers Inn

This section summarises the key factors that are perceived to have influenced the success of GCBS in saving The Drovers Inn, based on interviews with those involved in contributing to or using the community pub. Success factors are grouped according to whether they relate to the business, people involved or the wider community and external environment.

### Business

#### Multi-targeted strategy to raise funds at key points in the application and buying process

GCBS used a mixture of strategies to raise the necessary funds to firstly successfully fight the change of use planning application for the pub and then to actually buy it. The community share capital raised throughout this process was £176,750, and there were points when it was unclear if key targets to take the process forward were going to be reached. In order to be successful it was essential that outreach and fundraising activities continued to be broad in scope and did not place too much pressure only on the local community or rely on one or two sources. This was to ensure members of the community were not deterred from investing by being asked to contribute too heavily and to ensure the financial risk was spread across a broad base of investors.

Two key funds were established through fundraising activities, donations and grants; one to support GCBS' fight to prevent the change of use application and meet the cost of professional expertise (what participants called the 'fighting fund') and the other a deposit to secure the mortgage necessary to purchase the pub.

- The ‘fighting fund’ of around £15,000 was critical to supporting GCBS to navigate and understand the complex processes they were required to engage with to get the venture off the ground and to fight the change of use planning application.
- A community share model was used to raise the money for a deposit on the mortgage, which was agreed by Triodos, an ethical bank. Almost 200 shareholders bought a stake in the community benefit society, giving an indication of the support locally and ensuring the investment and risk was shared collectively.

The ‘Local Giving’ website continues to be used for special projects and has streamlined the donation process, making donating more accessible to a wider range of people. This technology has supported an increase in donations as people no longer have to transfer cash or give money or cheques to members of the committee.

### Developing a viable business model

Efforts of GCBS board and others have exclusively focussed on the objective of re-opening The Drovers Inn and establishing a sustainable business model for the pub for the benefit of the community and future generations. GCBS is clear about this aim and effectively galvanises support around this one mission. It is within GCBS’s remit to expand support to other local projects and they are due to finalise the installation of their special project for a community defibrillator and future plans include the addition of easy access toilet facilities for the pub.

Clear and effective business planning has been essential throughout the process of bidding for, setting up and re-launching The Drovers Inn, and GCBS reviews and updates its business plan once every six to 12 months. One of the main decisions taken early on was that the community would not run the pub themselves. Instead they opted for a tenant-run model, which should ensure the pub has the greatest chance of financial success and is able to sustain long-term benefits for the community. A rigorous interview process was undertaken to select a suitable tenant. As part of

this process applicants were required to submit their own business plans for the pub. The successful tenant has a financially robust plan, previous experience of running successful pubs and, shares a vision with GCBS about the importance of the pub to the local community.

Another attractive element of the tenants’ plan and a central feature of the business since it re-opened is the focus on serving high-quality, reasonably-priced food. Since the business relies on non-local and passing trade, ensuring the pub is a place where people can come for dinner as well as drink was seen as important to safeguarding the financial viability of the business.

The business found access to finance the biggest challenge in the campaign to save this vital community asset and it remains the biggest obstacle to growing the business. That said, GCBS was keen to emphasise that the financial success of the business is now dependent upon the success of the tenants, as the rent that the tenant pays ultimately funds the pub’s mortgage payments. At the moment, GCBS holds enough reserves to cover 26 weeks of operating costs and does not access any grant funding or subsidy. Income has also been generated from a third party loan, a bank loan and, as discussed earlier, community share funding. Its strategy for future investment is to encourage new and existing shareholders to maintain or increase their holdings, to provide funds towards easy access of toilet facilities.

### People

#### Board members have a mixture of skills and everyone involved is committed to the project

Nine members of the local community sit on the board of GCBS and have been involved in the process of re-opening the pub and running the Society since the pub closed in November 2014. A number of individuals have been able to give a substantial amount of time to the project due to the fact that they are no longer working fulltime. This was felt to be an important enabling factor as the whole process required a significant amount of resource and this continues today.

Board members have a mixture of high-level skills that have been used to navigate complicated council regulations and legal processes to acquire the pub. For example, IT, communications and financial skills of board members have been utilised at different points. It is felt there is logic to the roles and tasks that people have taken as they reflect the individual strengths of the board members. On occasions where the board felt they did not have the right skills, experts were hired. For example, a planning consultant was engaged for the objection to the change of use planning application. GCBS state that financial, management and communication skills together with knowledge of how to navigate regulations are most important to the successful running of the community business, and are also the most important to growing the business.

The whole community provides passionate and dedicated support, which was essential to achieving the acquisition and re-opening of their pub in such a short space of time. In excess of 40 volunteers helped to carry out a range of both skilled and unskilled tasks such as painting, gardening, carpentry and cleaning at key points, in readiness for when the pub re-opened. This was helped by the fact that people had emotionally bought into and financially contributed (via donations and community shares) to save The Drovers Inn. The community want their pub and are committed to helping it thrive again.

### Strong working relationships

There is a strong desire from both the tenant and GCBS to share information with each other about how the business is doing and work collaboratively to ensure its success. Both parties have invested financially and emotionally in the venture. It was felt that the nine-year tenancy that was given to the tenant to manage the pub gives both parties a sense that they have entered into a long-term commitment to make project work. This is important for ensuring stability within the local community.

## Community and external environment

### Support and advice from external organisations

GCBS successfully engaged with a network of experienced contacts to inform the process of buying the pub. Support from the Plunkett Foundation was perceived to be essential in understanding how they

would formulate their offer, particularly in the early stages. This helped them to understand complex processes such as:

- listing pub as an ACV;
- setting up as a legal entity;
- raising funds; and
- registering a successful ‘right to bid’.

GCBS believe that without the support offered by the Plunkett Foundation they may have misinterpreted the legislation and potentially missed their chance to save their pub. The Plunkett Foundation also connected GCBS with other community businesses that had been successful in saving their local pubs and provided templates of key documents for them to use during the process. This helped to save time and gave GCBS hope that they would be successful in achieving their aims.

The local council team were not always fully conversant with some of the fine detail around the latter stages of the ACV procedure concerning the ‘right to bid’ legislation, but they were very supportive throughout the ACV process. The council and GCBS worked together to understand and use the legislation that listed the pub as an asset. The six-month moratorium during which the property could not be sold to private investors was helpful in mobilising the local community and preparing their application.

GCBS has also harnessed support from local media. The story of a local community coming together to save their pub was compelling and captivated a wider audience than the local community. Media presence has been sustained and has helped develop local trade partnerships for the pub now that it is open for business.

### Community buy-in

From the start of the process the local community has been fully engaged and consulted with regularly on all aspects of the project. This has helped to build a momentum behind the campaign. A survey undertaken with residents before the community business was established helped gauge and then cement support locally as it asked residents to consider the worth and value of retaining the pub. Since then the whole community has been encouraged to be involved to the extent that they are able and wish to be, which helps foster a sense that things are being done ‘with the community’ rather than done ‘to the community’.

Finally, the idea of saving the pub resonates with local residents who have invested in something that will be part of their community long-term. People genuinely want to keep the pub as a community asset because the building is desirable; it has a sense of charm and history that people do not want to lose.

### Financial information

Financial information for Gussage Community Benefit Society is not currently publicly available.