

# Sidbury Community Enterprises Limited



*The Red Lion Inn, Sidbury*

## **Business Plan for our community pub - The Red Lion, Sidbury, East Devon**

**April 2014 – Supporting the Share Offer**

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## 1. EXECUTIVE SUMMARY

In April 2013 Punch Taverns informed the current tenant of the Red Lion pub in Sidbury, East Devon that it intended to sell the property and consequently gave him six months notice.

Concerned that this could lead to the only remaining pub in the village closing and/or possibly being sold for development a group of regular Red Lion customers and other local residents decided to form 'Save The Red Lion Campaign' (*for a Campaign summary see Appendix I*).

The Campaign vision for a future Red Lion business in summary encompasses –

- ❖ Ensuring that the Red Lion remains at the heart of the village.
- ❖ Creating a pub that is welcoming, attractive and competitively priced to support a wide and diverse customer base.
- ❖ Ensuring that the Red Lion is a community pub.
- ❖ Developing the Red Lion into a thriving, commercially viable business.
- ❖ Improving the Red Lion sufficiently to ensure it becomes a well regarded and recommended establishment.

In September 2013 East Devon District Council, at the behest of the Campaign, listed the Red Lion as an "Asset of Community Value" thus providing a moratorium period of six months during which the owner cannot sell the pub to anyone else but the Campaign. This has allowed the Campaign the opportunity to conclude a successful purchase of the property. To provide a legal framework within which the Campaign can purchase the Red Lion it has created an Independent Provident Society limited company - *Sidbury Community Enterprises Limited*.

This Business Plan sets out the proposition that the Red Lion can be transformed into a viably profitable business and turned into a true asset of the community and run as a pub that is a free house.

Sidbury village is situated in the heart of the Sid Valley a designated Area of Outstanding Natural Beauty. The Red Lion is the only remaining pub in the village of some 800 inhabitants. Over the past several years the pub has become rather tired and in need of considerable refurbishment. It is now facing difficult trading conditions as a tied pub and through a continuing lack of investment. Patronage has diminished significantly and the existing tenant is now on a short term Tenancy at Will Agreement. Without this the operation of the pub would no longer be a viable proposition.

A detailed village survey questionnaire was distributed to all residents in an attempt to gauge their potential support for the Red Lion as a community asset, what changes they would like to see implemented and the extent to which they would use the facilities of the Red Lion should it be re-modelled under community ownership.

The results of the survey indicate that there would be very strong support within the community to retain the Red Lion and for it to continue as a pub. With appropriate refurbishment of the facility, and an improved business model, the opportunity exists to significantly increase patronage and transform the Red Lion into a viable and profitable business working for the ultimate benefit of the community. The need to retain the pub as an asset of the local community and at the heart of the village has been a key objective of the Campaign in creating a future Red Lion business and establishing Sidbury Community Enterprises Limited.

This Business Plan has developed a set of financial projections showing the evolution of the Red Lion business over its first three years of trading and which form our financial plan. In order to inform our projections we have constructed the financial plan on the basis of the projected business that we believe would be available to a tenant landlord/landlady.

### **Projected Three Year Tenant's Profit & Loss Summary**

	Year 1	Year 2	Year 3
<b>Total income</b>	<b>160,222</b>	<b>201,627</b>	<b>226,825</b>
<b>Total direct costs</b>	<b>54,717</b>	<b>66,589</b>	<b>75,515</b>
<b>Total Gross profit</b>	<b>105,505</b>	<b>135,038</b>	<b>151,310</b>
<b>Total Overheads</b>	<b>£97439</b>	<b>£108001</b>	<b>£119.638</b>
<b>NET PROFIT BEFORE DEPRECIATION</b>	<b>8066</b>	<b>27037</b>	<b>31673</b>
Depreciation	2,000	2,000	2,000
Corporation Tax	1,613	5407	6335
<b>NET PROFIT</b>	<b>4453</b>	<b>19629</b>	<b>23338</b>

Also included in this Business Plan are the resultant financial projections of the profit and loss account that would in turn apply to Sidbury Community Enterprises Limited.

### **Projected Three Year Sidbury Community Enterprises Limited Profit & Loss Summary**

	Year 1	Year 2	Year 3
	£	£	£
<b>Total Income</b>	<b>295,125</b>	<b>91560</b>	<b>69308</b>
<b>Total Expenditure</b>	<b>281721</b>	<b>77232</b>	<b>53232</b>
<b>Excess Income c/fwd</b>	<b>13404</b>	<b>14328</b>	<b>16076</b>

Critical to the success of its objectives is the acquisition of the premises from Punch Taverns and the raising of the required capital to cover this, and the potentially significant investment in refurbishment of the premises, as well as the necessary start up costs. The asking price for the pub is £295,000, plus VAT. It is considered that this is a totally unrealistic valuation. Indeed, an agreed sale price of £190,000 plus VAT has been reached.

The total capital that will be required to be raised is £333,000, of which at least £200,000 would need to be raised from within the community through a share issue.

The preliminary conclusions from the investigations, analysis and financial forecasts completed to date is that there is a strong demand from within the community to retain the Red Lion and to transform it into a valuable asset for the community of Sidbury. There is sufficient opportunity to develop the business to generate profits to make the proposition financially viable.

## **2. VISION FOR A FUTURE RED LION**

### **What Will The Red Lion Look Like In Three Years Time?**

Sidbury Community Enterprises Limited expects that within three years, the Red Lion will well and truly have regained its roar! If you visit the Red Lion in three years time we hope that you will see the faces of many returning and loyal customers. They will be coming back because they like its beverages, love its food or find its accommodation inviting. They will be coming back because

to them it is the pub in the village!

The pub's decor will still be smart and it may possibly have been expanded to accommodate the growing trade that it anticipates serving, but it will still offer a traditional village pub experience. Customers will be drawn to the pub by its strong reputation for consistent quality.

Our community will be using the Red Lion as a real asset of the community and it will be a hub of community life. You will bump into many members of the local community as they use it recreationally to socialise over a pint or a meal, or whilst they take part in a community organisation's event.

The Red Lion will be the pub in the village that our community is proud of!

### **Our Vision**

Sidbury Community Enterprises Limited has a very clear vision, set out in *Appendix J*, for what sort of pub it wants the Red Lion to become. The pub will be owned by the community, through its share offer, but it will be run by a tenant landlord/lady. Sidbury Community Enterprises Limited wants the Red Lion to be a traditional village pub with a warm and welcoming atmosphere, excellent service, a great reputation for good quality, locally sourced and produced food, good cask and other beers, good wine and good food, as well as offering comfortable and inviting accommodation. In a phrase – excellent quality whilst competitively priced.

But we want the Red Lion to be far more than just the pub in the village. Sidbury Community Enterprises Limited will create it as a key social hub of the local community, at the heart of the village. The Red Lion will be owned by many local people who will have invested in it as a business. Equally, we want the Red Lion to be owned by the community in the widest possible way. The Red Lion has been listed by East Devon District Council as an Asset of Community Value. We intend to make it live up to that listing by inviting the community to use the Red Lion as a base for holding community activities and delivering services to the community.

### **Owner**

The Red Lion will be owned by Sidbury Community Enterprises Limited which is an Industrial Provident Society limited company. In essence this is a cooperative enterprise. Sidbury Community Enterprises Limited will in turn be owned by its shareholders who will elect a Management Committee to oversee the efficiency of the business.

Sidbury Community Enterprises Limited will be promoting the widest possible share ownership of the Red Lion amongst our local community, and to encourage this it has determined that each shareholder, regardless of the number of shares that they own, will have an equal vote at shareholder meetings.

Sidbury Community Enterprises Limited, through its Management Committee, will not run the pub on a day to day basis. It will employ a tenant landlord or landlady who will have the responsibility to run the business in the best profitable way within a clear vision statement, as laid out in our Business Plan and within clear contract terms that they will be expected to operate within.

Sidbury Community Enterprises Limited's clear intent is for the Red Lion to be a profitable business. This way Sidbury Community Enterprises Limited will be able to reinvest in developing and maintaining the Red Lion, whilst supporting local community activities and organisations, repaying commercial business loans and providing an affordable return to shareholders.

Sidbury Community Services Limited's vision for the Red Lion is fully set out in *Appendix J*. The key aspects of this vision include –

## **Bar**

- ❖ Redesign bar area, including moving the bar.
- ❖ Provide well kept cask ale, cider, lager and stout, as well as good quality wine.
- ❖ Keep a good cellar and achieve recognition for this through being awarded e.g. CAMRA accreditation and Cask Marque.
- ❖ Creating the right atmosphere.

## **Restaurant**

- ❖ Serve locally produced and sourced produce.
- ❖ Establish a valued and interesting “specials” board.
- ❖ Provide a good variety of lunchtime meals and snacks.
- ❖ Introduce a regular traditional Sunday lunch.
- ❖ Open regularly throughout the week at both lunch time and in the evenings.

## **Cafe**

- ❖ Provide quality refreshments and snacks.
- ❖ Create a coffee shop experience in the village
- ❖ Open regularly during mornings and afternoons.

## **Accommodation**

- ❖ Create inviting, comfortable and relaxing bed and breakfast accommodation.

## **Courtyard**

- ❖ Upgrade the external courtyard area so that customers can relax in clement times of the year.

## **Family Friendly**

- ❖ Whilst being inviting and welcoming towards families, the pub will also respect those customers who come to the pub for solitude and socialising.

## **Community**

- ❖ Offer the pub facilities for maximum community use and supporting community events and projects.
- ❖ Provide new non-core services to the community.
- ❖ Support community organisations and events.
- ❖ Continue to support pub skittle and darts teams.

## **Reputation**

- ❖ Build a great reputation for all that the pub provides.
- ❖ Ensure the pub is listed in good food, beer, pub and accommodation guides.

## **Improving The Red Lion**

- ❖ Upgrade and improve the fabric of the pub on a phased basis.
- ❖ Maintain the decor and fabric of the pub once refurbished.

## **Landlord/Landlady**

- ❖ Initially run the pub with an experienced pub manager to ensure that it starts off on a great footing.
- ❖ Move to having an experienced tenant who will develop and grow the business and community links.



### 3. SIDBURY VILLAGE & RED LION'S MARKET

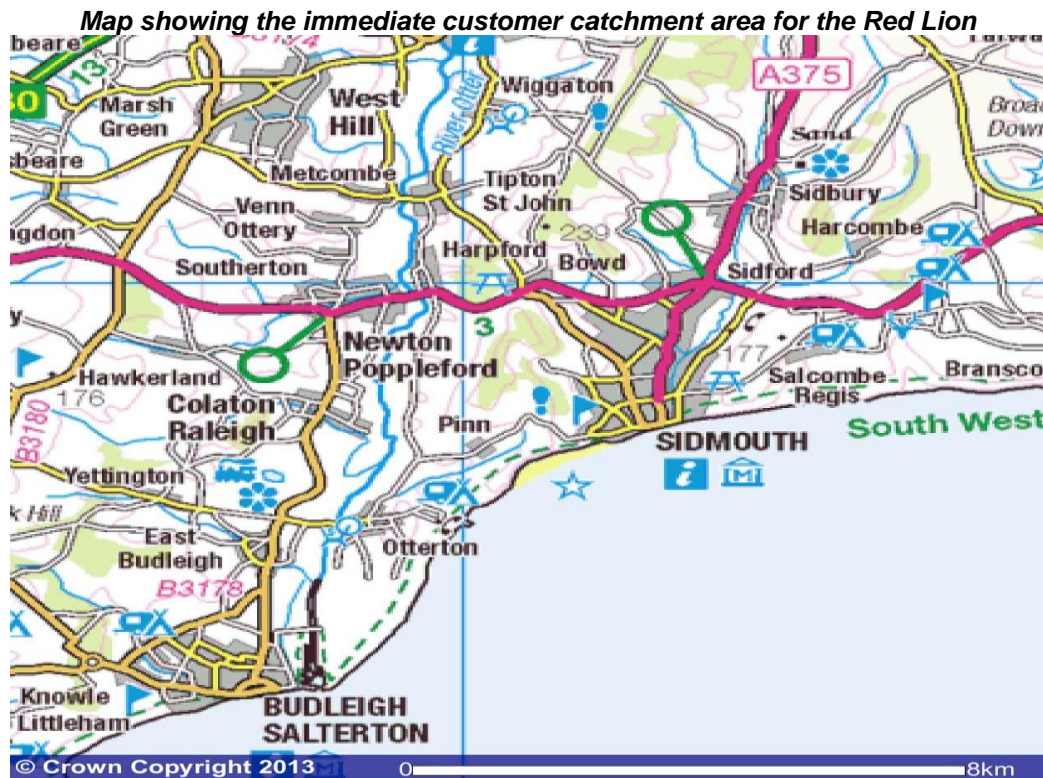
#### 3.1 Sidbury Village

Sidbury village is situated in the heart of the Sid Valley, a designated Area of Outstanding Natural Beauty, some two miles inland (north) from Sidmouth which is a very popular coastal Regency town. Sidbury was one of the earliest settlements in Devon, having an Iron Age fort at Castle Hill. Sidbury is very conveniently positioned at a mid point on the East Devon Way which passes between Exmouth and Lyme Regis and is a very popular walkers trail. Local people are campaigning for, and we are advised that the Council has made a decision in principle to build; a cycle/footpath to be built that will link Sidbury to Sidford and allow cycle/pedestrian access all the way from Sidmouth, via the Byes, to Sidbury.

The village is picturesque, with many houses having thatched roofs and it has an historic Saxon church – St. Giles. With around 800 people living in the parish, Sidbury is a thriving community with many active clubs and organisations that local residents support. In particular Sidbury is renowned for its Sidbury Fair which was originally established under a Charter from King Edward I in 1291, as well as the annual Sidbury Manor bonfire and fireworks display which is one of the most popular bonfire night displays in East Devon.

Unlike many villages, Sidbury benefits from having a good range of local facilities including a shop/butchers, a primary school, a village hall, a social club and a pub - the Red Lion.

#### 3.2 Red Lion Catchment Area/Market



Sidbury, where the Red Lion is located in the centre of the village, has a significant immediate customer catchment area which in the main is accessible by bus – this takes one directly to/from Honiton to the north and to/from Sidford and Sidmouth to the south and Newton Poppleford to the south west. In total within this immediate catchment area there are 11,574 adults between the ages of 20 and 85.

Sidbury has some 800 residents within its village boundary and within the Sidmouth Rural Ward, which encompasses Sidbury there is a total of 1,850 adults between the ages of 20 and 85. There is scope therefore for the Red Lion to create an offer that can attract, potentially on a regular occurrence, a number of these adults.

Attached at *Appendix F* are full details of the local age demographics of residents within the immediate customer catchment area for the Red Lion.

Sidbury Community Enterprises Limited will identify opportunities that will attract the broadest range of customers from within the catchment area. We will not create an establishment that only appeals to a single set of customer demographics. However, we will also be careful not to make the offering so broad as to appeal to no one. All ages and all demographics are attracted to village pubs and to quality offerings at the right price. These are descriptors that will be synonymous with the new Red Lion business.

## **4. THE RED LION & ITS COMPETITORS**

### **4.1 The Red Lion**

The Red Lion is situated in the heart of the village, directly opposite St Giles church, on the A375, the main road through the village and which connects Honiton to Sidmouth. As a Coaching Inn originally built in the 17th Century the Red Lion was extensively rebuilt following a fire in the early 1800's. It is a Grade II listed building.

The Red Lion has had several owners during the last 15 or more years and who have enjoyed varying degrees of success. The Red Lion is currently owned by Punch Taverns (a pub company) having purchased it directly from a previous owner/occupier landlord in late 2004. Under Punch Taverns ownership the Red Lion has been run by several tenant landlords, with the current tenant who has been the landlord for the past 6 years now operating as a tenant at will. Punch Taverns' tenants have been hampered by challenging levels of rent charged, the high prices of the beer tie and the woeful lack of investment in, and maintenance of, the property giving it a tired and run-down appearance.

In April 2013, as part of a debt restructuring exercise Punch Taverns placed a number of their properties on the market, including the Red Lion.

The Red Lion is the only public house in the village. On the ground floor the pub consists of a front lounge with a bar area, a separate dining room serving 24 covers, a ladies toilet and a kitchen. Upstairs, on the first floor there is a flat used by the current tenant, along with, on the second floor, four bed & breakfast letting rooms – three double/twin en-suite rooms and one single room.

Externally and to the rear there is an outside communal area which is accessed from the pavement/road through a side vehicular door, a summer seating area, storerooms, a gent's toilet, a ladies toilet and a separate building housing a large skittle alley.

There is road parking near to the Red Lion, as well as a free public car park within 200 yards.

### **4.2 The Current Business**

Over the past five years or more there has been little to no investment in the pub's infrastructure by Punch Taverns. The trading areas are very tired, and in need of urgent modernisation and repair, as is the general appearance and state of the building.

Patronage of the pub by village residents has declined significantly over recent years. Wet trade



has decreased nearly 40% over the past 6 years and indications suggest that food sales would have also declined similarly. No information is available to compare past accommodation performance.

Overall, the pub gives the appearance, and its wet sales data suggests this too, of being a failing pub. The fact that the pub does not have a strong customer base has led to it being unable to deliver a profit at an appropriate level that works for its owner.

Its reputation has suffered, not just during the current owner's time, but also under its previous owner. This can in great part be attributed to the overall lack of investment in the property and its failure to maintain or grow a strong customer base, particularly locally.

At present opening hours for the pub are significantly restricted with it being open each evening, but it only being open two lunchtimes a week. The pub only offers food for two hours on Friday and Saturday evenings and there is minimal bar food available (see *Appendix H*).

The pub supports a darts team, a skittle team and facilitates a number of regular village related activities such as a crib night and a book club meeting. A number of local social organisations also use the pub to meet in and the skittle alley is available for hire for functions.

The next nearest public house is the Rising Sun at Sidford which is a mile towards Sidmouth (south), which is a leasehold free of tie business, run by a couple. This pub attracts good local usage and has a popular food offering.

A further half a mile from the Rising Sun going east on the A3052 towards Lyme Regis is one of the two busiest and largest pubs in the local area the Blue Ball at Sidford. This has nine en-suite letting rooms and is predominantly a food led pub.

The other of the two busiest and largest pubs in the area is the Hare and Hounds at Putts Corner which is situated some two miles north of Sidbury on the A375 towards Honiton and. This pub too is predominately food led and is renowned for its carvery.

Within Sidbury there is, a mile north from the Red Lion on the A375 towards Honiton, the Sid Valley Hotel which provides self catering and hotel accommodation. Within Sidbury there a number of small bed & breakfast businesses with the largest one, being a quarter of a mile from the Red Lion and which has 6 letting rooms and offers resident dinners and Sunday lunches. The village also has a number of properties which operate as holiday let.

The Red Lion faces broader competition for its pub, food and bed & breakfast offerings from a range of pubs and restaurants with a variety of offerings and reputations within Sidmouth (up to two and a half miles south) and Newton Poppleford three miles west towards Exeter. A summary of the potential competitors to the pub in the immediate area is set out in *Appendix G*.

### **4.3 Potential Competitors**

#### **Pubs**

Within *Appendix G* there is a map showing the location of the nearest twelve potential competitor businesses to the Red Lion. Also within the attachment is a set of descriptions of each of the twelve potential competitors.

In a region as popular as Devon it may come as no surprise that the 'Good Pub Guide 2013' reserves its largest number of entries for the County. Forty-nine pubs are included in the main guide, with a further one hundred and sixty meriting a '*worth a visit*' recommendation. The Red Lion is not one of these pubs, although it has, in the past, been included in the CAMRA Good Beer Guide.

Within a radius of three miles from Sidbury there are two pubs that are recommended in the Good Pub Guide - the Blue Ball Inn at Sidford and the Hare & Hounds at Putts Corner (*Nos: 1 & 2 on the map*). Both are open all day and both serve food. The latter sits with the Sidbury Parish Boundary but is, in reality, a couple of miles from the village. It is a very popular eating pub, largely due to its all-day carvery. It is unlikely that the Red Lion would wish to challenge this unique part of the market and therefore the Hare & Hounds is not seen as a competitor at the moment.

The Blue Ball Inn is described by the Good Pub Guide as '*a big popular Inn with friendly staff, four real ales, well-liked food; (and) neat gardens*'. It was completely rebuilt and refurbished after a fire in 2006 and it is a significant competitor.

The Rising Sun at Sidford (*No: 3*) is the nearest pub to the Red Lion and, in certain respects it is very similar to the Red Lion. It has no car park and visitors have to use a public car park in Sidford and, positioned right on a busy traffic-controlled junction, it has difficulty attracting passing trade. Despite this, and being in the shadow of a popular competitor, the Blue Ball Inn, it appears to be prospering by concentrating on themed nights, quiz nights, and pensioners specials on its food menu.

The Rising Sun is a major competitor but, encouragingly, it is also an indicator that a pub can thrive even with competitors nearby – if it does the right thing.

### **Sidbury Social Club**

Sidbury Social Club (*No: 12*) is a members' social club situated 100m or so from the Red Lion. It has recently been renamed 'The Village Inn', presumably in anticipation of the demise of the Red Lion. It has a small bar area, a skittle alley, a snooker table and has a seating area which would accommodate 60 -70 people. It hosts quiz nights, bingo evenings and has live entertainment on Sunday evenings. It does not have a kitchen and does not provide food.

With lower overheads the Club can, and always has, undercut the Red Lion on price and for this reason it is a competitor. However, it remains a members' club and, as such, tends not to attract customers from outside the village, or for those seeking the atmosphere of a genuine village pub.

### **Other Competitors**

#### **o Restaurants**

- The Salty Monk (*No:16*) is a Good Food Guide rated restaurant and brassiere situated close to the Blue Ball in Sidford. It is a high-end restaurant, with quality bedroom accommodation and it is not a direct competitor with the Red Lion.
- La Rosetta Italian Restaurant & Moores Restaurant (*Nos. 13 & 14*) are located in Newton Poppleford. Distance, and the fact that they solely are restaurants, rules these out as direct competitors.

#### **o Take- Aways**

- Bloaters in Sidford is a fish and chip shop, and is a competitor, in part, with the Red Lion. There are other similar outlets in Sidmouth.

#### **o Bed & Breakfast**

- In an area such as East Devon there will be numerous establishments providing bed and breakfast accommodation. Rose Cottage is the nearest to the Red Lion and is a direct competitor for accommodation and meals.

## **5. A FUTURE RED LION BUSINESS**

### **5.1 A Future Red Lion Linked To Its Community**

The Campaign was launched with the sole objective of campaigning to retain the Red Lion for the community. It has created Sidbury Community Enterprises Limited as a community based company that can own the Red Lion. The intention is to retain the pub as a social hub within the village.

In addition to creating a profitable pub business, Sidbury Community Enterprises Limited will ensure that it facilitates the widest possible community use of the pub. This is reflected in the vision to open the pub for longer hours and in so doing to offer refreshments and food from mid morning through to mid afternoon. This will allow the pub to establish a morning and afternoon cafe style facility that is lacking in the local area.

Sidbury Community Enterprises Limited will look at how the pub can use its space and long opening hours to provide innovative local community services such as some of those identified within the village survey (see the survey summary results at *Appendix E*).

The pub will continue to facilitate local teams such as the pub darts and the skittle teams. It will continue to attract and offer its facilities to a range of community groups and organisations. There are in excess of fifteen such groups in the village. The village has a successful amateur cricket team, groups associated with the church and an active PTA at the local Sidbury Primary School which in the 2013 autumn term has a total of 105 pupils on roll. Developing links with the school will be an additional opportunity to grow broader community links.

The Campaign deliberately created Sidbury Community Enterprises Limited as an Industrial Provident Society to encourage the widest possible community investment in the Red Lion. The company's name was also created to reflect its desire to be rooted in the community. The links with and use by the community of the pub is central to the objectives that Sidbury Community Enterprises Limited are championing. Sidbury Community Enterprises Limited has built into its Financial Plans a commitment to financially support local community organisations year on year, subject to the company's finances allowing this.

### **5.2 Village Customer Survey**

In order to find out the views and aspirations of village residents for a future Red Lion business, the Campaign produced a survey questionnaire which asked about the existing business and sought opinions about what the pub should be offering in the future. The questionnaire was delivered to every house in the village. The key outcomes from this survey are set out in *Appendix E*.

The responses to the survey are in line with what would be expected from such an exercise and the results demonstrate that amongst local residents there is an appetite for the Red Lion to broaden its offering, not just in relation to traditional pub related services such as wider and consistent opening times, more opportunities to eat restaurant style meals and bar meals, but also to offer non traditional pub offerings and facilities to the community.

In essence the survey results and anecdotal comments from the local community show that there is an opportunity to develop the Red Lion, as long as it develops the right set of offerings, in a way that will both retain existing customers and attract new or returning ones. Sidbury Community Enterprises Limited has used the responses to the survey in order to inform the offerings that the Red Lion will in future provide to customers.

In order for the Red Lion to be successful it will need to have broad local support and patronage. Sidbury Community Enterprises Limited has to be alert to the fact that most local residents, not unusually for any questionnaire consultation, did not respond to it, which in itself is probably not surprising, but demonstrates that the new business and Sidbury Community Enterprises Limited will need to be proactive in engaging with the broader community.

## **5.2 Marketing Plan**

The landlord/landlady will be responsible for developing and maintaining an effective marketing strategy for the Red Lion. Sidbury Community Enterprises Limited has an expectation that this will include creating an attractive website, regularly advertising in the local press and obtaining maximum reportage within the local press and media. It will be important for the landlord/landlady to maximise positive coverage and advertising in the local press.

The quality of the pub's offering and its good reputation will allow it to be listed in a range of guides, which in turn will not only reinforce the establishment's positive reputation but also will bring with it positive reviews and ongoing promotion.

The pub's links with the local community and its activities will provide opportunities to promote the business in the immediate locality. Local eye catching and effectively located signage will be important as the pub will need to be instantly recognisable to passers-by.

## **6. FINANCE & FUNDING**

### **6.1 Red Lion Tenant Business Financial Plan Structure**

This Business Plan has developed a set of financial projections showing the evolution of the Red Lion business over its first three years of trading and which form the financial plan which has been created to demonstrate that a tenant can profitably run the pub and in turn return a rent to Sidbury Community Enterprises Limited

Each of these financial projections is supported by the assumptions and rationale that have been used to generate the financial estimates and these are referenced accordingly.

#### **Year 1 Plan**

During the first year of independent trading we expect critical refurbishment work to be carried out, which may well affect trading. We will also be seeking to appoint a tenant prior to which, an interim landlord/landlady will be put in place to establish the new the business and trading ethos. As a result Sidbury Community Enterprises Limited has taken a cautious view on profitability during this period.

#### **Year 2 Plan**

The Year 2 Plan is intended to be a realistic view of potential profitability during the second year of independent trading. By this time Sidbury Community Enterprises Limited would expect that most of the major refurbishments would have been completed and a tenant landlord/landlady appointed to run the business.

We would expect that the Red Lion's customer base would have expanded as it will be open during the morning, lunchtime, afternoon and evenings offering a broader range of opportunities for customers to enjoy a wider selection of quality food and beverages at different times of the day. Any further refurbishment that will be required to be undertaken during this year will not affect the business.

### **Year 3 Plan**

The Year 3 Plan is intended to show the level of trading and profitability that could be achieved during the third year of independent trading. Bed & breakfast accommodation occupancy levels will have more than doubled with an eventual factor of 65% occupancy planned. We would expect the pub to have become an established business in the area, with references in visitor Guide Books such as *'The Good Pub Guide'*.

Community use would have been established with village groups using the pub for meetings and further social activities investigated. The potential for re-opening the Post Office in the Red Lion would have been examined, along with the opportunities for extending community services afforded by having extended opening hours throughout the day and evening.

These Financial Plans have been created taking best advice from those experienced in the pub trade, using collected research data, taking account of Sidbury Community Enterprises Limited's vision for a future Red Lion business and projecting ahead to maximise all of the potential opportunities that this Plan can generate.

Details of the tenant baseline figures are set out in *Appendix A*.

Sidbury Community Enterprises Limited as the owner of the Red Lion will hold debt incurred in purchasing the Red Lion, setting the new business up and funding the upgrading works to the pub. This debt will be in the form of a mortgage.

### **6.2 Reserves**

Sidbury Community Enterprises Limited will create sufficient reserves equivalent to a year's debt repayments, and work towards developing additional reserves to fund additional upgrading works and the ongoing development of the business.

### **6.3 Financial Summary**

The tenant's financial plans indicate a level of growth which is based on the projected opportunity that this Business Plan is designed to deliver and starting from what is understood to be a low base for a business of the size and location of the Red Lion.

The financial plans reflect a gradual change in the business model with the wet revenues growing and with catering increasing substantially in both revenue and profit contribution. This would be at the upper levels of achievement according to market data available.

An appropriate rent will be levied upon the landlord/landlady who will allow them to feel incentivised to develop the business, whilst allowing Sidbury Community Enterprises Limited sufficient finances to support its debt, plan for future business developments, reward over time the shareholders, as well as returning some tangible support to the community.

Equally, important as the tenant's projected financial plans are the returns from the tenant to Sidbury Community Enterprises Limited. The tenant's business will be reviewed year on year to ensure that their business is sufficiently profitable to allow them to earn a reasonable living from the business. In addition, it will be important to ensure that Sidbury Community Enterprises Limited receives the right level of rent from the tenant. As this is in effect a new business being created with no existing trading accounts to guide the future assumptions and projections the rent from the tenant will need, at least in the first three years to be annually reviewed.

Sidbury Community Enterprises Limited's projected profit and loss account summary (see *Appendix C*) has been based upon a relatively low rent from the tenant in Year 1 and the further two years rental projections are based upon a small percentage year on year increase in this.

In preparing its profit and loss projections Sidbury Community Enterprises Limited has assumed that on the basis of a completed purchase, on or about April 2014, it will require a short while to finalise the plans to upgrade the pub and to let contracts to undertake the works. These works are assumed to require the pub to be closed for up to three months, through to about July or August 2014, at which point it would fully reopen as the new Red Lion business.

Also the profit and loss projections assume that no rent will be obtained from a tenant in the first month of operation, and that this will be paid to Sidbury Community Enterprises Limited in arrears. It is also assumed that, in agreement with its lender, Sidbury Community Enterprises Limited will only repay interest on its mortgage for the first five months of ownership of the Red Lion.

#### ***Projected Three Year Sidbury Community Enterprises Limited Profit & Loss Summary***

<b>Total Overheads</b>	<b>£97,439</b>	<b>£108,001</b>	<b>£119,638</b>
<b>NET PROFIT BEFORE DEPRECIATION</b>	<b>8,066</b>	<b>27,037</b>	<b>31,673</b>
Depreciation	2,000	2,000	2,000
Corporation Tax	1,613	5,407	6,335
<b>NET PROFIT</b>	<b>4,453</b>	<b>19,629</b>	<b>23,338</b>
<b>NET PROFIT BEFORE CHANGE</b>	<b>5,653</b>	<b>22,154</b>	<b>27,322</b>

#### **6.4 Cost Of Acquisition & Refurbishment**

Initial assumptions indicate that a minimum of £295,000 will be required to acquire and to immediately refurbish a substantial part of the Red Lion. This is calculated as –

- ❖ Purchase of building: £190,000.
- ❖ Refurbishment – Phase 1: £105,000.

#### **6.4 Start Up Costs**

The assumed fixtures and fittings set up costs associated with the setting up of a future Red Lion business based upon a worst case scenario are set out in *Appendix B*.

#### **6.5 Cash Flow**

To calculate the trading conditions for the tenant and the potential return to Sidbury Community Enterprises we have projected the cash flow projections for the tenant's business for the first three years trading.

#### **6.6 Raising The Capital**

Our assumptions are that a minimum of £333,000 will be required to develop and establish the future Red Lion business. This is calculated as –

- ❖ Purchase of building: £190,000.
- ❖ Refurbishment – Phase 1: £105,000.
- ❖ Start-up costs: £38,000.
- ❖ *Total costs: £333,000.*

It is expected that the majority of the capital will be raised through share issues and loans/mortgage. At present and without having thus far published either a developed vision for a future Red Lion business or the Business Plan, Sidbury Community Enterprises Limited has obtained registers of interest from over 40 potential investors who have expressed an interest in investing over £65,000. This augers well for raising the size of share capital that Sidbury Community Enterprises Limited anticipates it will need to.



Assuming that on a loan to value basis of 70% against the property a commercial mortgage could be secured. Discussions with a number of potential lenders are underway. The balance of the capital would be required to be raised through a share Issue. The amounts requiring to be raised through these could be reduced depending on any grants obtained. However, it is anticipated that the various sources for raising capital are –

- ❖ Share issue - £200,000.
- ❖ Loans /Mortgage - £133,000.
- ❖ Grants – whilst no Capital grants would currently appear to be available to bid for, this matter is under continual review. There may be smaller grants that can be bid for smaller discrete community related developments. We have made an assumption that we will not be able to raise any capital from grants for the purposes of the financial plans.
- ❖ Donations – we have made no provision in the financial plans to receive any donations, although we continue to promote this option to potential investors.
- ❖ General fund raising – Sidbury Community Enterprises Limited will need to consider its future strategy for fund raising as the business develops.

## **7. TIMESCALES & ACTIONS**

The four most critical dependencies that face Sidbury Community Enterprises Limited as it faces the challenge of creating a new Red Lion business remain as –

- ❖ Retaining existing and winning back the past custom and earning the allegiance and sustained support of the wider local community and attracting a broader geographic patronage.
- ❖ Raising the required capital of which it is estimated approximately £200,000 would need to come from a community share offer.
- ❖ Achieving a level of refurbishment that meets the demands of customers and keeps the investment costs in-line with eventual asset value and the timetable associated with this.
- ❖ Attracting and motivating a skilled landlord/landlady to run the business consistent with the vision and ethos defined by Sidbury Community Enterprises Limited and the timetable associated with this.

Until 11 March 2014 Punch Taverns could not agree a sale of the Red Lion to anyone other than Sidbury Community Enterprises Limited. On 21 March Punch Taverns confirmed that its Board had agreed to accept Sidbury Community Enterprises' offer of £190,000 for the purchase of the pub.

On this basis Sidbury Community Enterprises Limited is in the process of negotiating a business mortgage, which needs to be confirmed, probably by no later than the end of May. Sidbury Community Enterprises Limited has also instructed a solicitor to handle the legal aspects of the sale, as well as instructing an accountant to act for it. Now that a sale has been agreed a share prospectus will be distributed across the village. At the time that the share prospectus is launched a campaign, over a five week period, of promoting the shares will be undertaken. The launch will take place on 14 April and conclude on 25 May.

Sidbury Community Enterprises Limited has determined that the sale of the shares will itself handle this, and will also do so in conjunction with an electronic online share registration process provided by Microgenius. This is an online platform which is operated by Co-operatives UK, in partnership with Locality. During the share offer promotional period there will be two open days held in Sidbury Village Hall to allow people the opportunity to understand the details of the share offer and what the future plans for a new Red Lion business are.

Sidbury Community Enterprises Limited has determined the Phase 1 upgrading work that it will undertake on the property. An architect has been instructed to detail the changes required to the property and to provide visual images of a future Red Lion. Whilst outline costs associated with these works have been produced, these will be refined. The financial plans have been created to take account of the need to close the Red Lion for up to three months at the beginning of the new ownership in order to undertake the Phase 1 works.

Potentially a sale could be finalised by the end of April. An opening under Sidbury Community Enterprises Limited ownership could be achieved by July/August 2014 once the Phase 1 upgrading works have been completed. We are determined to ensure that the pub is open ahead of Sidbury Fair Week.

Sidbury Community Enterprises Limited is committed to securing the services of a tenant to run the Red Lion. However, it would like to have an experienced respected interim manager running the business for the first 6/12 months of trading. This would allow the business to get off to a stronger start and would allow Sidbury Community Enterprises Limited to work with an interim manager to establish a business ethos and set of practices that can then be handed over to a tenant to continue and to build upon.

## APPENDIX A      BASELINE FIGURES

### Wet Sales

Category	Barrels	Pint/Barrel	Total Pints	Bar Price*	Total
Beer	25.83	288	7439	£ 2.75	£ 20457
Lager	7.79	288	2244	3.08	6910
Cider	16.21	288	4668	3.08	14379

Total 41746

Assume Beer/Lager/Cider make up 75% of total Bar Sales

Therefore: Wines/Spirits/Soft Drinks/Spirits/Crisps etc  
make up remaining 25% 13915

Total 55662

\*excl Tax & Vat Gross Profit 33397

### Catering

Category	Total week Covers	Meal Net Cost	Revenue	Gross profit 60%
Lunches	0	6.20	0	0
Evening	22	8.20	180	108
Sandwiches	10	4.76	48	29
Tea/Coffee	12	2.00	24	14

total/week 252 151

Annual Revenue 13104 7862

### Accommodation

Category	
Occupancy	25%
No of Nights	91
Max Income	222

£20,226

**APPENDIX B**
**START UP COSTS – WORST CASE SCENARIO**

Item	Cost Excl Vat £	V.A.T £	Source	Comment
Bed Linen x 4 letting rooms x 2 sets	1,000.00	200.00	online	
Cutlery x 36 covers	972.00	194.40	Redstone catering	
Crockery x 36 covers	1,917.00	383.40	Redstone catering	Includes £500 contingency
Kitchen Utensils	500.00	100.00	online	
Coffee M/C	235.00	47.00	online	
Microwave	240.00	48.00	Next day catering	
Dishwasher	1,700.00	340.00	Next day catering	
Fridge	459.00	91.80	Fridge Freezer direct	
Deep Freeze	254.00	50.80	online	
New Cooker 6 burner gas	1,238.00	247.60	Fridge freezer Direct	
Ice Maker	499.00	99.80	online	
Deep Fat Fryer	222.00	44.40	Premier Range	
Glass Washer	2,035.00	407.00	Next day catering	
Cash register	324.00	64.80	Online	
Computer/Printer	600.00	120.00	Online	
Phone/Fax/Answer m/c	130.00	26.00	Online	
Credit Card swipe m/c	200.00	40.00	online	
Vacuum/cleaning Utensils	300.00	60.00	local	
Extract Fan for kitchen	350.00	70.00	online	
New furniture - bar/dining room/ flat/ bedrooms	N/A	N/A		This may not be required until later
Fire extinguishers	100.00	20.00	online	
Gases for beer	N/A	N/A		
Wine chiller cabinet	550.00	110.00	Next day catering	
Bottle chiller cabinet	499.00	99.80	Buycatering.com	
Contingencies	2,000.00	400.00		
Stock	2,000.00	400.00	Estimate from list	One month's supply
Website design	850.00	170.00	Estimate	
Advertising	1,700.00	340.00	Estimate	
Fees: Lender Arrangement Solicitor Purchase Related	2,000 797.83	Nil Nil	Quotes received	
Architect	5,500	Nil	Quote received	
Solicitor	1,735.00	347.00	Quote received	
Stamp Duty	2,000	400.00	Quote received	1% of purchase price
<b>Totals</b>	<b>32,094</b>	<b>4,921</b>		

**APPENDIX C**

**SIDBURY COMMUNITY ENTERPRISES LTD  
PROFIT & LOSS ACCOUNT SUMMARY**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
	£	£	£
<b>INCOME</b>			
b/fwd from previous year		13404	14328
Grants	0	0	0
Subscription	80000	60000	35000
Mortgage	200000	0	0
Other Loans	0	0	0
Other Income	0	0	0
Rent from Red Lion	15125	18156	19980
<b>Total Income</b>	<b>295125</b>	<b>91560</b>	<b>69308</b>
<b>EXPENDITURE</b>			
Purchase of Red Lion	180000	0	0
Fees/Duty	6500	2000	2000
Mortgage Repayment	13221	14232	14232
Other Loan Repayment	0	0	0
Start-up Cost	20000	0	0
Refurbishment Costs	60000	60000	35000
Miscellaneous Expenditure	2000	1000	2000
<b>Total Expenditure</b>	<b>281721</b>	<b>77232</b>	<b>53232</b>
<b>Excess Income c/fwd</b>	<b>13404</b>	<b>14328</b>	<b>16076</b>

## **APPENDIX D            THE CURRENT BUSINESS - STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS**

### **Weaknesses & Threats**

The Red Lion has been neglected for many years by Punch Taverns and does not present a welcoming appearance. It needs significant refurbishment and updating throughout.

The bar and restaurant areas are currently set out in an inflexible layout. Direct roadside car parking is limited. The opportunity to attract passing trade is difficult. It has poor directional signage. It is never advertised in the press.

The pub does not open during some lunchtimes, and whilst it provides a limited food menu on specific evenings, this does not include bar food at lunchtimes. It has a small kitchen and there is a limited range of beer available, with often only one being on offer. As a tied pub, it has to buy from its owner Punch Taverns which does not allow for competitive prices.

There are other pubs within a five mile radius which currently provide a better range of food and beer. There are a number of small bed & breakfast establishments within the village. One of these is comparable in accommodation prices, better appointed and can provide evening and Sunday lunchtime meals. The Village Inn (the village members' social club) sells beer cheaper than the Red Lion and has a skittle alley.

The overall cost of refurbishment could prove more expensive than envisaged and planned for. The amount and timing of refurbishment may affect the first years' trading figures and could delay a potential launch of the new pub.

Failing to attract back previous local customers and widening the pub's appeal within the community will affect the pub's profitability and local links, as would the loss of its remaining customer base. Changing social habits and rising duty may ultimately deter potential customers.

### **Strengths & Opportunities**

The Red Lion is situated in the heart of the village. It is the only pub in Sidbury. It is generally recognised as an asset within the village and is used as a meeting place for many village groups. It is particularly well-used after special village events, such as Sidbury Fair Week, Sidbury Manor Fireworks and the village pantomime.

It has a skittle alley, which is used by local teams, which will be used for other purposes when not in use. It also has a restaurant, which is separated from the main bar. It serves real ale and supports a local brewery. It has four bedrooms (three en-suite) and provides a bed & breakfast business in an area which is popular with tourists. All of these will be developed and maximum use made of them, whilst the quality is improved. The broadening of the offering to include a cafe will draw in additional customers.

The Red Lion is not a large pub with large overheads. Its size makes it an opportunity to be a welcoming establishment with a village pub feel to it, and makes it easier to effectively manage its costs. The refurbishment costs will be carefully managed to ensure that the time and costs associated with this do not extend beyond what is planned.

In the village and locally there are many holiday self catering and holiday bond properties, along with camping and caravan sites, along with bed and breakfast establishments. The right Red Lion offering, supported by well directed marketing, will enable the Red Lion to tap into these important tourist market segments. We will establish a more attractive courtyard space.



The East Devon Way passes the pub's front door, as does the bus route that directly links the village to Sidmouth, Newton Poppleford and Honiton. This allows customers to use the Red Lion without having to drive themselves. The pub is convenient for those who live within the village, as well as those who live within the wider locality. This provides the Red Lion with a local customer base that can be turned into loyal customers.

Effective marketing and local signage will place the pub in the mind of potential customers. Whilst the pub has a range of local competitors we will make the Red Lion as a destination of choice by offering an attractive good quality, well respected establishment.

By making, as we intend to do, the Red Lion offering appealing to the widest customer demographic then a broad based community shareholder investment in a future Red Lion business would help to galvanise the local population to use its facilities and services to a far greater extent than at present. This will provide an opportunity to grow a loyal customer base that is important for a profitable future Red Lion business.

Sidbury Community Enterprises Limited will take the opportunity, as new owners, to refurbish the pub and to open it as a new free of tie establishment which will not only provide local residents with a set of offerings that meet their aspirations. The Red Lion will also tap into the potential offered by the local Area of Outstanding Natural Beauty and the East Devon Way, as well as the opportunity to attract customers from the wider Sidmouth area.

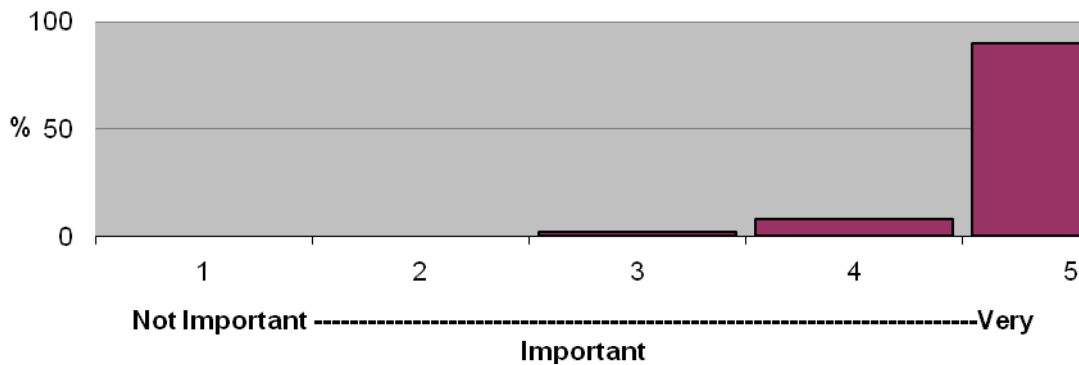
The refurbishment will be an opportunity to attract back customers who have been put off by the current unattractive décor and lack of a broader offering. We will realise the potential to maximise the use of the pub's space to increase turnover and profit, as well as creating opportunities to make the pub an inclusive environment for the wider local community.

The Red Lion would in future be able to both match and exceed the offerings from these establishments and to do so as a traditional village pub set in a picturesque small village, something that these will be able to match, thus, making the Red Lion a real destination of choice.

## APPENDIX E VILLAGE SURVEY QUESTIONNAIRE RESULTS

### 1. We asked a fundamental question concerning the Red Lion and the village.

#### How important is it to have a pub in the Village?



An unequivocal 90% of respondents thought that it was very important to have a pub in the village

### 2. We asked how frequently people currently use the Red Lion.

How often do you drink at the Red Lion?      How often do you eat at the Red Lion?



The results show that whilst 19% of respondents drink at the Red Lion regularly, 37% never visit it. The results for food are more marked with only 11% regularly eating there, whilst 54% never go there to eat.

**3. We then asked whether these habits would change if the Community bought the Red Lion.**

How often would you drink there?

How often would you eat there?



The results show that 56% would visit regularly to drink and that 52% would eat there regularly.

**4. We asked what people liked or disliked about the Red Lion.**

<u>Like</u>		<u>Dislike</u>	
Location	48%	Condition of Premises	32%
Atmosphere	16%	Opening Hours	20%
Beer	14%	Restricted Menu	16%

(Three largest responses shown)

Most people thought that its location was the Red Lion's best asset, whilst the condition of the premises headed the list of dislikes.

**5. We then asked two specific questions relation to catering.**

<u>What catering would you like to see?</u>		<u>When would you be most likely to eat?</u>	
Bar Meals	29%	Sunday Lunchtime	29%
Restaurant Style Food	19%	Weekday evenings	26%
Morning Coffee	18%	Weekday lunchtime	14%
Bar Snacks	17%	Saturday Evening	14%
Afternoon Tea	12%	Saturday Lunchtime	12%
Take-aways	2%	Sunday Evening	5%

(Six largest responses shown)

The results show that whilst most respondents would like to have bar meals/snacks and restaurant style food offered a significant number said that they would like the Red Lion to offer morning and afternoon refreshments.

The largest majority of respondents said that they would be most likely to eat in the Red Lion on a Sunday lunchtime and during weekday evenings; with many others also saying that they would eat in the pub at lunchtimes and on Saturday evenings.

#### 6. We asked about general community facilities that the Red Lion could provide.

<i>What features of service would you like to see?</i>	
Bed & Breakfast	15%
Post Office	14%
Skittle Alley	13%
Dartboard	13%
Parcel Collection/Drop Off	10%
Function Room	8%
Dry Cleaning Collection/Drop Off	7%
Book Exchange/Book Club	6%
Function Catering	5%
DVD Exchange/Borrowing Club	4%

The responses showed that there was an opportunity for the Red Lion to offer the community some services that they currently can't access locally with any regularity.

In summary the responses to the survey were –

- ❖ *How important is it to have a pub in a village?* 96% of respondents to the survey said that it was very important to have one.
- ❖ *How often do you drink at the Red Lion?* 19% of respondents drink in it regularly but 37% never visit it.
- ❖ *How often do you eat at the Red Lion?* 11% of respondents eat at it, whilst 54% never go to it to eat.
- ❖ *How often would you drink in a new Red Lion business?* 56% of respondents would drink in it.
- ❖ *How often would you eat in a new Red Lion business?* 52% of respondents would eat in it.
- ❖ *What do you most like about the Red Lion?* Location, atmosphere and the beer.
- ❖ *What do you most dislike about the Red Lion?* Condition of the premises, opening hours and restricted menu.
- ❖ *What catering would you like to see offered at the Red Lion?* Bar meals, restaurant style food, morning coffee & bar snacks.
- ❖ *When would you (in the future) be most likely to eat at the Red Lion?* Sunday lunchtimes, weekday evenings, weekday lunchtimes and Saturday evenings.
- ❖ *What community facilities would you like the Red Lion to provide?* Bed & breakfast, post office, skittle alley, dartboard and parcel collection/drop off.

**APPENDIX F                      SIDBURY, SIDFORD & SIDMOUTH RESIDENTS –  
AGE DEMOGRAPHICS**

<b>Age Groups</b>	<b>Sidmouth Rural</b>	<b>Sidmouth Sidford</b>	<b>Sidmouth Town</b>	<b>Totals</b>
0 - 14	235	835	482	1,552
0 - 19	337	1,142	684	2,163
15 - 19	102	307	192	601
20 -24	53	224	158	435
25 - 29	50	209	167	426
30 - 34	44	178	132	354
35 - 39	62	280	143	485
40 - 44	116	426	210	752
45 - 49	146	412	298	856
50 - 54	138	383	275	796
55 - 59	151	360	332	843
60 - 64	248	539	443	1,230
65 - 69	227	542	455	1,224
70 - 74	195	479	401	1,075
75 – 79	145	457	475	1,077
80 -84	136	385	446	967
85 - 89	88	224	352	664
90 +	51	122	217	390
Total aged over 20	1,850	5,230	4,494	11,574
Total aged over 65	842	2,209	2,346	5,397
% Total aged over 65	38.50%	34.67%	45.31%	

**Source:** East Devon District Council – based upon 2011 census and shown by electoral Wards.

**NB:** Sidbury village falls within Sidmouth Rural.

## APPENDIX G POTENTIAL COMPETITORS



A map showing potential competitors is shown above

### Potential Competitors

Ref	Name	What Offered	Opening Hours	Guides		Comments
				Good Pub	Good Beer	
	Red Lion, Sidbury	Real Ales, Bar Meals, B&B, crib night, Darts, Skittles				Inserted as reference:
1	Hare & Hounds, Sidbury	Real Ales, Bar Food, Restaurant,	10:00am – 11:00pm (10:30 Sunday)	✓	✓	Several Miles from Village Centre. Main attraction is Daily Carvery
2	Rising Sun, Sidford	Real Ales, Bar Meals, Sunday Lunches, Pensioners Specials, Quiz Nights, Concerts, Themed Evenings Darts, Skittles	Weekdays 12:00 - 3:00pm, 5:00 - 11.00. Sat/Sun 12:00 – 11:00pm			Food is served 12:00-2:00, 6:00 – 9:00 (Mon - Sat) 12:00 – 2:00 Sunday
3	Blue Ball, Sidford	Breakfast, Real Ales, Bar Food, Restaurant, B&B, Skittles, Function Suite	8:00am – 11:00pm	✓		8:00 – 10:00 (Breakfast) Food 12:00 -2:30, 6:00-9:00 ( Mon – Sat), 12:00-3:00, 5:30-8:30pm( Sun)
4	Bowd, Sidmouth	Real Ales, Restaurant, Sunday Carvery				



5	Golden Lion, Tipton St John	Morning Coffee, Real Ales, Bar Food, Restaurant	10:00 – 11:00 (coffee) 12pm to 2.30pm Monday to Friday, 12pm to 3.00pm Saturday and Sunday Evening: 6pm to Close Monday to Saturday	✓		Food Lunch: 12pm to 2pm Dinner: 6.30pm to 8 / 8.30pm (Monday to Sunday)* *closed Sun eves in Winter
6	Fountain Head, Branscombe	Micro Brewery, Real Ales, Bar Food, Restaurant	11am to 3pm, 6 pm to 11pm (Mon-Sat) 12-3 and 6-10.30 Sunday	✓	✓	Food 12 to 2 and 6.30 to 9 every day
7	Masons Arms, Branscombe	Real Ales, Bar Food, Restaurant, B&B	11am to 3pm, 6 pm to 11pm (Mon-Sat) 12-3 and 6-10.30 Sunday	✓		Food 12 midday until 2.15pm 6.30pm until 9pm,
8	The Balfour	Cask Ales, Bar Food, Restaurant, Entertainment	Mon to Thur. 11:00 – 3:00, 5:00 – 11:00, Fri 12:00-12:00, Sat 12:00 – 1:00am, Sun 12:00 – 10:30.			Entertainment Fri, Sat
9	The Volunteer Inn, Sidmouth	Real Ales, Bar Food, Entertainment	12:00 – 11:00 (10:30 Sunday)			Food 12:00 -2:30, 6:00-9:00 (not throughout the year)
10	The Radway Inn	Real Ales	12:00 – 11:00 (11:30) Saturday (10:30) Sunday			
11	The Cannon Inn, Newton Poppleford	Pub Food B&B				Not available
12	Sidbury Social Club - The Village Inn	Cask Ales, Entertainment				Members' Club

**APPENDIX H            RED LION – CURRENT OPENING TIMES AND  
FOOD AVAILABILITY**

	<b>Opening Times</b>		<b>Food Availability</b>
Monday	7.00 – 11.00pm		No food available
Tuesday	7.00 – 11.00pm		No food available
Wednesday	7.00 – 11.00pm		No food available
Thursday	7.00 – 11.00pm		No food available
Friday	12.00 - 3.00pm	7.00 – 12.00am	7.00 - 9.00pm
Saturday	12.00 - 3.00pm	7.00 – 12.00am	7.00 - 9.00pm
Sunday	12.00 - 3.00pm	7.00 – 11.00pm	No food available

**NB:**

- These opening times vary as they reduce over winter some months.
- Some light lunch snacks are also available Friday and Saturday.

## **APPENDIX I            SAVE THE RED LION CAMPAIGN**

### **Campaign Key Aims**

The key aims of the Campaign have been to –

- ❖ Maintain and develop the Red Lion as a village pub.
- ❖ Operate the Red Lion as a successful pub business.
- ❖ Provide additional facilities and services that will enrich community life in Sidbury.
- ❖ Raise the funds necessary to purchase the Red Lion whilst also upgrading and maintaining it to a high standard.
- ❖ Have the Red Lion listed as an “Asset of Community Value” under the 2012 Localism Act.

### **Campaign Activity**

Save the Red Lion Campaign was formed in May 2013 by a number of regular Red Lion customers and local residents soon after it became clear that the pub was up for sale. It was feared that the property could be sold for development, or that its owners might just close the pub, and so there were real concerns that the village could lose its last pub.

This meeting agreed to form a Campaign Group with the objective of ensuring that the Red Lion was retained as a pub for the community. To support this Campaign it was also agreed to create a Steering Group which was charged with fulfilling this objective. The Steering Group immediately set about creating a strategy for achieving this objective.

The Campaign applied for, and obtained a pre-feasibility grant of £10,000.00 from the government’s Department for Communities and Local Government, to allow it to prepare a viable business plan for the pub, and to determine what it believes the pub’s market value is. It also secured the support of the Plunkett Foundation which works with community groups and provides professional advice and helps to save their pubs.

At the same time, the local MP Hugo Swire, together with the Vicar of St Giles, Sidbury, the Reverend Susie Williams agreed to be Patrons of the Campaign. The Campaign also received support from a number of local Devon County and East Devon District Councillors most significantly including Claire Wright, Roger Giles, Chris Wale and Roger Moulding.

### **Asset of Community Value**

In July 2013 the Campaign made an application to East Devon District Council to have the Red Lion listed as an "Asset of Community Value" under the 2012 Localism Act. This was granted in September 2013 and this provides a moratorium period of six months during which the owner cannot sell the pub to anyone else. This period allows the Campaign to seek to conclude a successful purchase of the property. The listing also ensures that the property cannot be used for any other purposes, other than being a pub, for a period of five years.

### **Sidbury Community Enterprises Limited**

The Campaign has created an Independent Provident Society limited company - Sidbury Community Enterprises Limited - which has been registered with the Financial Conduct Authority. This will provide a legal framework within which the Campaign can seek to purchase the pub.

## **APPENDIX J            SIDBURY COMMUNITY ENTERPRISES LIMITED VISION STATEMENT**

### **Foreword**

I have followed with great interest the progress of the Campaign as it strives to retain the Red Lion as a pub that can, and should be, a real asset for our village and community. The vision for the future of the Red Lion, as set out below, is one that the whole community should embrace as it provides a real opportunity to turn the Red Lion into a welcoming and successful village pub here in Sidbury.

I hope that you too will not only support this vision for the Red Lion, but also give your full support to the Campaign and the new community focused company – Sidbury Community Enterprises Limited – that has been established in an attempt now to successfully purchase the pub for, and on behalf of, us all.

Please join with me in actively supporting this exciting venture as Sidbury Community Enterprises Limited sets out to secure the future of the Red Lion as our village pub.

*Sir John Cave, Sidbury Manor*

### **Introduction**

Since May 2013 Save The Red Lion Campaign has campaigned to ensure that the Red Lion, which its owner Punch Taverns has put up for sale, remains as a pub. As the Campaign has progressed its Steering Group has developed the vision for what type of pub the Red Lion should now become. It has also developed a Business Plan to support a successful village pub that also provides important non-pub services to the community whilst encouraging greater community use of the pub and its premises.

All of this has led to the Campaign establishing a community focused company – Sidbury Community Enterprises Limited – which is now trying to negotiate the successful purchase of the Red Lion. This vision statement sets out the ideas that are driving our determination to have a pub that is at the heart of the village and which will in every sense be an asset of the community.

### **A Future Vision**

Our vision for what type of pub we want the Red Lion to become is clear. It wants the Red Lion to be a traditional village pub with a warm and welcoming atmosphere, excellent service, a great reputation for good quality, locally sourced and produced food, good cask ale and other beers, good wine and good food, as well as offering comfortable and inviting accommodation. In a phrase - excellent quality, at competitive prices.

But we want the Red Lion to be far more than just the pub in the village. Sidbury Community Enterprises Limited will create it as a key social hub for the local community, at the heart of the village. The Red Lion will be owned by many local people who will have invested in it as a business. The Red Lion has been listed by East Devon District Council as an Asset of Community Value. We intend to make it live up to that listing by inviting our community to use the Red Lion as a base for many community activities.

### **Bar**

The bar area will be redesigned to maximise the space for customers to move around more unencumbered. Its furniture will be both comfortable, and in keeping, with their surroundings. The bar will be redesigned and moved. Its design and construction will reflect the fact that customers are in an old village pub.

The Red Lion will provide cask ale. In a short time it is intended to have guest ales to delight the thriving real ale market. However, customers to the Red Lion will also want to buy other alcoholic beverages too. We will also serve lager and stout, as well as cider. Customers coming to the Red Lion will also find a range of good quality, well sourced wines.

The Red Lion will provide well kept alcoholic beverages and will expect to receive recognition e.g. the Cask Marque, or CAMRA accreditation, in recognition of this. We will keep a good cellar. As a free house the Red Lion will be able to offer competitively priced beverages.

There will not be a television in the main bar area. We will look to see whether there is a demand for television sports coverage and if it can be discretely located away from the bar area.

### **Restaurant**

We will want to serve locally produced and locally sourced produce. Sidbury Community Enterprises Limited wants to support local growers and producers. Our loyalty is not only to our village community but to the wider business community in our locality. The Red Lion will look to reflect the four seasons in the dishes that it offers on its menu, and will make every effort to source produce that will allow it to have a valued and interesting “specials” board.

Customers in the Red Lion will be able to enjoy a lunchtime snack or meal that reflects the style and quality of the evening menu. So for example, alongside a meal such as a traditional ploughman’s lunch, there will regularly be fresh fish dishes. In time, the Red Lion will also become synonymous with going out for a great traditional Sunday lunch.

In the evenings the Red Lion’s restaurant will be a relaxing environment in which customers will be able to eat traditional home cooked pub food alongside a selection of interesting meat, poultry, fish and vegetarian dishes. Customers will be happy to eat one, two or three courses, and regular visitors will not become bored of a completely static menu offering.

We want the atmosphere in the restaurant to reflect the time of year and whether it is day time or night time. Eating in the Red Lion must invite the customer to think “That was a lovely meal. I will return!”

### **Cafe**

During the day the Red Lion will offer the opportunity to get a cup of coffee, tea or hot chocolate. You will be able to purchase a quality beverage outside of the pub’s core “opening hours”. The Red Lion, as well as being the pub in the village, will also be the cafe in the village.

We will reflect the quality that customers expect from the established high street coffee shops. So, if you want an extra hot, skinny, grande, cappuccino, it will be yours, in the Red Lion! You will also be able to sit the kids down with a great cup of hot chocolate.

Customers will also be able to supplement their drink with some delicious cake or a savoury dish. We want to make it all too tempting to resist!

Where else will you be able to drink and eat all of this in a traditional village Grade II listed building locally?

### **Accommodation**

The Red Lion, as a traditional village pub, will be able to offer the visitor the opportunity to stay over whilst also sampling its quality beverages and food. Its visitor bed and breakfast accommodation will be upgraded and refurnished to reflect that it is a Grade II village pub.

Inviting, comfortable and relaxing will be words regularly recorded in the guests' comments book.

### **Courtyard**

The side entrance to the Red Lion will be opened up to allow direct access to the outside courtyard area where customers will be able to relax, particularly in more clement times of the year. The courtyard area will be enhanced with plants and planters thus enticing customers outside.

### **Family Friendly**

The Red Lion will be a pub for all who wish to be its patrons. So, whilst the pub will be family friendly it will also want to balance that with creating a place where people seeking to escape from the often hurly burly nature of family life will also feel accommodated. The Red Lion will work hard to accommodate all who wish to patronise it.

### **Community**

The creation of the new Red Lion business has its roots in its local community. The pub will be offered for maximum community use, small or large, formal or informal occasions. We intend to support community projects and organisations, as well as providing non-core services to the community. There is an opportunity to bring new services into the village such as parcel collections and deliveries, dry cleaning collections and deliveries, and even a post office facility with longer opening hours than currently provided in the village.

The Red Lion wants to create opportunities for families, youth and older residents to all see the Red Lion as a social space that they can all share beyond using it for the traditional pub offerings. We will work with community organisations to develop these opportunities. Sidbury Community Enterprises Limited sees the opportunity for our wider community to use the space that the pub has to offer, particularly at times when it is underused

The Red Lion will continue to have a skittle alley and a dart board. It will proudly support and sponsor its skittles and darts teams. Sidbury Community Enterprises Limited has built into its Business Plan a commitment to financially support local community organisations year on year.

### **Reputation**

For a pub, like many other businesses servicing the public, reputation is everything. The Red Lion will work very hard to build a great reputation for all that it provides. It will work even harder to keep that reputation and with it the customer and community's loyalty.

Sidbury Community Enterprises Limited expects to see the Red Lion listed in good pub guides, good beer guides, and good food guides and recommended in influential accommodation guides.

The Red Lion has aspirations to be the pub in the Sid Valley that customers will want to visit.



### **Improving The Red Lion**

The Red Lion needs a significant amount of work to be done, not only to repair & refresh it, but also to improve it. However, there is too much work to undertake in one go. So we have scheduled for the works to be undertaken in at least two phases.

Once we own it Sidbury Community Enterprises Limited will, in Phase 1, close the pub for up to three months in order to primarily concentrate on the ground floor areas and the front of the building. We believe that these works will make a significant improvement to the pub

The upgrading of the property will be in keeping with its Grade II listed status and will benefit from the features, such as a realistic fire, that one would expect to find in a friendly village pub.

### **Owner**

The Red Lion will be owned by Sidbury Community Enterprises Limited which is an Industrial Provident Society limited company. In essence this is a cooperative enterprise. Sidbury Community Enterprises Limited will in turn be owned by its shareholders who will elect a Management Committee to oversee the efficiency of the business.

Sidbury Community Enterprises Limited will be promoting the widest possible share ownership of the Red Lion amongst our local community, and to encourage this it has determined that each shareholder, regardless of the number of shares that they own, will have an equal vote at shareholder meetings.

Sidbury Community Enterprises Limited, through its Management Committee, will not run the pub on a day to day basis. It will employ a tenant landlord or landlady who will have the responsibility to run the business in the best profitable way within a clear vision statement, as laid out in our Business Plan and within clear contract terms that they will be expected to operate within.

Sidbury Community Enterprises Limited's clear intent is for the Red Lion to be a profitable business. This way Sidbury Community Enterprises Limited will be able to reinvest in developing and maintaining the Red Lion, whilst supporting local community activities and organisations, repaying commercial business loans and providing an affordable return to shareholders.

Once the Red Lion has been purchased by Sidbury Community Enterprises Limited it can only be sold by the agreement of the majority of the shareholders, and it can only be sold to another social enterprise organisation.

### **Landlord/Landlady**

The Red Lion will be run by a tenant landlord/landlady who will have the responsibility for delivering a quality service to the customers & our community and they will be solely be responsible for the day to day running of the Red Lion. They will be held to account for developing the Red Lion business in line with the Sidbury Community Enterprises Limited vision statement, and delivering the required financial return to the company.

The Red Lion's tenant will have to become a respected landlord/landlady in their own right, but equally importantly they have to play their part in the local community, as the Red Lion's and Sidbury Community Enterprises Limited's ambassador. The landlord/landlady will need to have the respect of the community, and in turn they will have to respect our community.

### **What Will The Red Lion Look Like In Three Years Time?**

Sidbury Community Enterprises Limited expects that within three years, the Red Lion will well and truly have regained its roar! If you visit the Red Lion in three years time we hope that you will see the faces of many returning and loyal customers. They will be coming back because they like its beverages, love its food or find its accommodation inviting. They will be coming back because to them it is the pub in the village!

The pub's decor will still be smart and it may possibly have been expanded to accommodate the growing trade that it anticipates serving, but it will still offer a traditional village pub experience. Customers will be drawn to the pub by its strong reputation for consistent quality.

Our community will be using the Red Lion as a real asset of the community and it will be a hub of community life. You will bump into many members of the local community as they use it recreationally to socialise over a pint or a meal, or whilst they take part in a community organisation's event.

***The Red Lion will be the pub in the village that our community is proud of!***