

Newcastle Parish Council




THE CROWN INN
NEWCASTLE

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Agenda

- Peter, Steve, Tanya - roles
- The Crown Vision
- Recap & Progress
- Business plan
 - Opportunities and Risks, Questions
 - Budget, Questions
- Friends Of
- Vote: How to vote & proxy
- Next Steps

The Team

- Peter, 60 years in area
 - Born in St Catherine's Hospital, Clun
 - Chairman of Parish Council
 - Local Farmer, livestock farming
- Steve, 24 years Newcastle
 - 40 years in Procurement and Materials Management
 - GEC, Fisons Instruments, Control Techniques
 - Currently MD at Red Zulu Ltd. Suppliers of promotional and branded goods
 - Director, Clun Valley Investments Ltd, Owners of The Crown Inn, Clunton
 - Parish Councillor
- Tanya, 8 years Newcastle part-time
 - The Crown Inn: Voluntary Programme lead for loan and grant funds
 - Non-executive Director, University Hospitals North Midlands Trust
 - Member of Board, Performance & Finance committee, Transformation and People committee, and UHNM Charity

The image shows a two-story white building with a grey roof and several brick chimneys. The building has a red door and several windows, some with flower boxes. There is an outdoor seating area with tables and chairs in front of the building. The text "THE CROWN INN FREE HOUSE" is visible on the side of the building. The sky is blue and there are trees in the background.

The Crown Inn A Community Vision

An Asset of Community Value

- To develop The Crown as a thriving community hub for Newcastle and the surrounding area. A pub with:
 - dining rooms, games facilities, and guest rooms offering refurbished bed & breakfast accommodation
 - new attractive outdoor beer garden
 - new disabled, and male, female toilets
 - new pub room available as a resident's lounge, meeting room, private function room
- The Community has contributed to the initiative through community meetings and informal discussions. Their strong vision is of a pub:
 - that is open consistently and reliably
 - embodies a community **hub** welcoming to all age groups and community societies
 - with good affordable pub food and the opportunity for special occasion dining
 - that is owned by the Parish Council
- The community recognises its unique position as the only pub in the region for many miles and the halfway point of Offa's Dyke
 - This vision includes The Crown as a destination pub, attracting walkers, hikers, cyclists, and those touring local, historic sites

Recap

- 2 well-attended community meetings, Aug 16/Oct 24 with strong community support for Parish Council to own the pub
- Main funds coming from:
 - Community Ownership Fund (COF) grant monies, no repayment required
 - Parish Council Loan from Public Work Loan Board (PWLB), repayment required
- Owners don't want to put The Crown on market
 - Willing to sell to Parish Council

Progress (1)

- Secured advice on PWLB loan and COF grant from consultants, Campaign for Real Ale (CAMRA), council, and government
- Secured more cost estimates for extension, refurbishment, garden
- Worked closely with 2 architects
- Many, many site visits with skilled professionals
- Building survey completed
- 4 community fundraising events planned

Progress (2)

- The growing team:
 - Building project manager
 - Design/Interior decor team
 - Garden team through the Newcastle Garden Society
 - 'Friends Of' with chair, secretary and treasurer
- 5 year Budget finalised, incorporating grant and loan requirements specifically around *risk mitigation* and *community involvement*. Reviewed by accountant, and Plunkett consultants.
- Town Clerk revised Parish Council budget & forecast with new Crown revenues and costs



Business Plan - Opportunities (1)

- Community Ownership Fund (COF) Grant up to £300,000 (previous bidding windows only £50,000)
- Parish Councils can now apply for the grant (as of autumn 2023)
- Access to Public Work Loan Board, available to Parish Council
- Transform the pub:
 - appeal to wider community: disabled toilet/access & to garden; children's games area; nicer, better located male & female toilets
 - pub private meeting/function room
 - environmental improvements (heating, windows, insulation)
 - health & safety improvements (fire escapes, updated kitchen)

Business Plan - Opportunities (2)

- An engaged Parish Council, a councillor with local community pub ownership experience
- An engaged and committed community already evidenced in volunteering, fundraising, and large meeting turnouts / majority votes to progress the Parish Council purchase of pub
- Established history of community desire to own the pub (2014)
- Pub valued at £250,000, for sale to Parish Council at £220,000

Business Plan - Risks (1)

- **Unsuccessful with Grant**
 - We do not take the loan out and revisit options
- **Secure loan and grant, but project costs exceed estimates**
 - We have built in a cost contingency of 20% in capital costs and 5% in running costs for year 1
 - We can choose to park particular items for later investment
- **Project completes but tenant is hard to find or takes awhile to establish business**
 - Begin search as soon as project kicks off and not 6 months later
 - Secure professional services of Sydney Phyllips with track record; appoint a financially robust tenant with pub, restaurant, accommodation experience
 - Only pay if tenant has been successfully appointed
 - Charge fair tenant's rent that covers monthly loan & landlord running costs; and not aim to profit highly from tenant

Business Plan - Risks (2)

- **Disaster strikes:** a turnover of tenants, a major cost arises (e.g ceiling collapses), tenants leave with debts to pay
 - Parish Council paid for building survey from existing reserves. The survey dated 16 Nov, 2023 states:
“In conclusion and whilst this has not always been the case the basic structure of the Crown Inn is thought to be sound.” (v good for property insurance claims)
 - The budget has taken top priorities from the building survey into consideration
 - Over a period of time, we will be building an emergency/reserve fund. This allows the Parish Council to deal with multiple emergencies if they happen.
 - Parish Council could sell (own freehold and building)

Pause...

Questions?

Business Plan - Budget

Budget - Year 1	Amount	Note
Income	£425,900	- Grant + Loan + Year 1 Six Month Tenant Rent - Subsequent years tenant rent covers landlord running costs and PWLB repayment (capital and interest)
Expenditure	(£425,629)	- All costs including 20% capex/ 5% running costs contingencies - <i>Contingencies critical for Grant</i>
Balance	£271	
Emergency/Reserve Fund	£10,858	Precept
Year 1 Balance - surplus	£11,129	<i>Good but not enough for grant risk mitigation More on this shortly...</i>

Business Plan - Budget

Budget - Year 1	Amount	Note
Income	<u>£436,758</u>	<u>Total Income</u>
COF Capex Grant	£249,900	£250k plus attracts more scrutiny and conditions
COF Revenue Grant	£50,000	Maximum allowed
PWLB Loan	£120,000	Fixed, over 35 years (match funding of 29%; very good for COF)
Tenant Rent Year 1	£6,000	Month 7 to 12
Precept	£10,858	Annual Build of Emergency Fund
Expenditure	<u>£425,629</u>	<u>Total Expenditure</u>
PWLB Annual Loan Cost	£7,847	Approximate; it is confirmed on the day of loan sign off
The Crown Inn Asset Purchase	£220,000	
The Crown Inn Project	£197,781	Must be complete within 12 months
Landlord Running Cost	£0	Year 1 accounted for; subsequent years approx £5,500/varies

What Does This Mean to the Parish Council?

- If awarded the Grant, the Parish Council will own an asset that has been greatly improved (higher value), and in the main, purchased & refurbished with grant monies (71% of project cost)
- In years to come, if the community no longer requires the Pub, it can be sold
- The Parish Council takes on risk with the ownership of the Pub
 - Project risks are addressed through:
 - Good governance, good project management, and contingency costs built into the project
 - Ongoing Landlord risks are addressed through:
 - Solid tenancy contracts, fair landlord/tenant relationships, and emergency/reserve fund

What Does This Mean to You?

- What is a Precept?
- The emergency/reserve fund requires a Precept increase
- The total annual amount is £10,858 to the Newcastle Parish community
- This is an increase of 107%, equal to an increase of £80.94 per household annually
- This is £1.55 per week per household
- This increase is until 2026/27; consultation at that time
- By then, the Parish Council will have raised an emergency fund/reserve of £35,595 (if no emergencies occur in interim period)
- The government grant will look favourably on a solid risk mitigation programme and evidence of this

Pause...

Questions?

The 'Friends Of' The Crown

- Kick Off Meeting Tuesday, November 14th
 - Currently 19 members; can be from both Parish and wider Clun Valley community
 - Christopher Hughes, Chair; David Bolam, Secretary; Glyn Davies, Treasurer; Sandi Cobb, terms of reference assistance
- **Please do chat to members tonight to join or provide suggestions****
- Annual plan; Galvanises and organises volunteers & fundraising fostering closer community involvement and pride in The Crown
 - Identifies projects to enhance and improve the premises for the benefit of the community (hub), tenants, customers of the pub. Current opportunities:
 - Phase 2 of garden work (2 gazebos, additional seating)
 - Games room items (pool table, darts, TV)

How to Vote

- Ballot - Individual
 - Your name and address
 - You can fill a proxy vote if requested by your friend/neighbour
 - Ballot box - location
 - The proposed project cannot go forward, without a temporary precept increase, as an emergency fund is required, and is a necessary part of the grant (financial sustainability)
 - This is the Final vote before loan and grant application
- *Precept increase is per household not per individual

NEWCASTLE PARISH COUNCIL

Purchase of The Crown Inn

	YES	NO
Based on the information presented, are you in FAVOUR of the parish council proceeding with the purchase of The Crown Inn?		
Are you in FAVOUR of the parish council proceeding with the purchase of The Crown Inn if it includes a council tax precept increase of 107% (£80.94) per year until 2026/27 (£1.55 per week) for the purpose of building an emergency fund / reserve.		

Name	
Address	
Parish	
Signed	
Date	

Forms to deposited in the box provided before leaving the meeting.

Next Steps

- Vote
- Results - tonight
- Report to Council - Wed PM
- PWLB Loan Approval
Submission (this is required for match funding evidence COF) Thurs/Fri
- Loan approval response by mid December
- Grant application process begins asap
- Assume bidding window Dec
- Grant response early Feb

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The Crown Inn

Thank you

Fundraising event for The Crown:

Friday Dec 8th Wine and Cheese, Community Hall
£10 ticket for first drink, cheese/nibbles

Sandra

The Friends Of - interested in supporting the group let us know:
Peter, myself, Chris, David, Glyn, Sandi

