



The Peterborough Arms, Wiltshire



Location

Dauntsey Lock, Wiltshire



Founded

Opened December 2018



Legal structure

Wilts and Berks Canal Trust,
registered charity



Description of activity

Provision of food and drink,
and a skittle alley.



Key assets

Large public house



Staff and volunteers

Current landlords employ 12
local people. Around 40
volunteers involved in the
original refurbishment work.

Overview

In 2013, following a “*chequered history*”, The Peterborough Arms pub closed down. The owner of the building, a commercial brewer, was seeking permission to turn it into residential property; however, villagers were very unhappy about this. “*We had no village hall and we were a divided community given that the M4 cuts through the middle of the village ... so the pub was very much the centre of the community. We used the rooms for weddings, funerals ... it’s been a very important part of our village.*” As a result, with the support of the local parish council, the building was registered as an Asset of Community Value, giving the community six months to find £225,000 to purchase the asset.

At the time, the Wilts and Berks Canal Trust (WBCT) had a vested interest in protecting the use of the building, given its proximity to the canal. As such, it decided that it would support the village to raise the funds with the aim of purchasing the building. Being an established charity meant that it had a number of local members it could go to in support of the endeavour, as well as the local community, and had access to a committed group of volunteers and trustees who could offer their time and skills to support the fundraising activities.

Within six months, over 300 people had provided loans to WBCT, enabling it to reach the £225,000 target. “*A huge number of loan notes were for £1,000 so lots and lots and lots of people helped.*” Having raised sufficient funds, WBCT was able to purchase the pub in the summer of 2014. However, a large amount of renovation work was then required, given a lack of investment in the building in the preceding years.



Having already raised significant funds from the community for the purchase of the pub, raising additional funds for the renovation works of the Grade II listed building took considerable time. WBCT was also delivering another large project at the time, so it had limited capacity to focus on fundraising for The Peterborough Arms. The consequence was that, after two years, *“the community was getting pretty cross that nothing was happening to ensure the pub was going to open soon.”*

In 2016, WBCT had a restructure, introducing a new executive board, including the employment of a part-time CEO. This decision was made to ensure that there was operational oversight and skills available to support the charity's large-scale projects. The new CEO decided that something urgently needed to be done to renovate the pub, so spent time organising a group of volunteers to do the minimal refurbishment work needed in order to open up one half of the building as a community space. For example, the WI, Parochial Parish Council and WBCT office staff made use of the space initially.

Following this, a local community member very kindly decided to donate £20,000 to the refurbishment works, which launched the community into a range of fundraising activities. Book sales, spring sales, Christmas sales, BBQs – *“anything we could think of”* – were organised to support the refurbishment works. They also received donations from the community groups who were currently using the asset. A committed group of local volunteers also donated many hours of labour, including learning how to repoint the old stone walls with lime mortar. Towards the end of the refurbishment works, some of the volunteers were providing 40 hours a week to get it all finished in time for opening.

A total of £75,000 was raised in the end, including the large one-off donation, money raised at events, and other additional donations from the community. This was able to support the full refurbishment works, alongside nearly all of the labour being undertaken by volunteers (apart from the electrics and installing a disabled toilet). As such, the pub was able to open in December 2018.

Financial health

The Peterborough Arms is at the very start of its journey as a fully-fledged pub. However, there are three factors that stand out as being in the pub's favour:

1. Location

The Peterborough Arms is situated next to Dauntsey Lock on the Wilts and Berks Canal. Canal pubs are known to be popular sites, offering the chance for people to sit out by the water in the summer, and to watch the variety of canal boats travel past. Although this particular section of the canal is currently closed, WBCT's mission is to restore the full length of the canal. Investment in The Peterborough Arms provides huge motivation for WBCT to concentrate efforts on opening this section of the canal. It also means that the Trust is invested for the long term, given that the pub ties in so well with their overall vision.

2. An experienced landlord

Once it became clear that the refurbishment works were well on the way, and therefore there was a chance that the pub would finally reopen, WBCT undertook some research to decide what business model they would operate for the pub. Having investigated different models of community ownership and management of pubs, they eventually decided not to manage the pub themselves as they didn't feel they had the expertise to do so. For example, they were very aware that managing and retaining staff in the hospitality trade can be difficult and requires certain skills, as does negotiating with local brewers and suppliers. They also felt that relying solely on, and having to manage, large numbers of volunteers, would not be appropriate. *“You can have loads of enthusiastic volunteers but if you haven't got the management skills or time to manage them, it's not going to happen. It's going to dissolve.”* Rather than take this risk, they felt that they should look for an experienced landlord who could make a real success of the pub.

WBCT was successful in attracting a couple who have 35 years of experience in the pub trade to become the current landlords, bringing with them a huge amount of expertise and skill in pub management. The current landlords, having sold their assets from their most recent pub venture, also had access to capital funds which they could invest in setting up the commercial kitchen, which hadn't formed part of the renovation works. As such, they are now able to offer a very good quality menu, which is attracting custom. If this hadn't been the case, further fundraising from the community would have been required.



The wealth of experience the current landlords bring makes them very aware of the factors that can help pubs to succeed; in particular, relying not only on their regular, local visitors, but also attracting passing trade. "You have to be able to pull people outside of the village. If the community use it and back it, it's a great start. But a community can't save it on its own."

In addition, attracting a landlord with a lot of experience in the pub trade has meant that they really buy into, and support, the community pub ethos, particularly when compared to some of their previous experiences. "When a lease company or brewery own the pub, they will try to get as much rent as they can for the building ... often you have to buy beer through them which is more expensive than if you're a free house." Instead, the current landlord is benefiting from a favourable lease that has been negotiated with WBCT, including a phased rental package over a five-year term. Overall, there is also a real sense of mutuality from both sides: "The value of the lease and the equivalent rent is reasonable ... they want their pub to succeed so there's no benefit for them to make it difficult for the licensee to trade ... We have also really tried to understand what the community wanted from their pub."

Overall, having developed a mutually beneficial relationship with an experienced landlord, there is a real sense that everyone wants the pub to succeed, and it has the best chance of doing so given the knowledge and experience that it has to hand. In fact, in the first three months, the pub has managed to break even and has generated a small profit.

3. Community buy-in

As stated initially, The Peterborough Arms is felt to be a significant asset in the local area, helping the village of Dauntsey to retain a central point for social connection and memory making. The number of local people supporting the purchase of the building, and then its renovation works over a significant period of time, demonstrate the level of community buy-in and support for the pub, with 150 attending the celebration event for the pub's opening. This community backing is felt to be a great start for the pub's financial health given the level of ownership and pride that the community has invested in using and supporting the asset, both now and into the future.

Financial summary

This information is based on figures from The WBCT, 2018.

Income	£156,000 (NB. Income from the pub is £20,000 per annum in the first year of the lease; this will rise to £45,000 in the final year of the lease.)
Expenditure	£224,000
Difference between income and expenditure	-£68,000
Annual income from grant or subsidy	£76,000
Fixed assets	£569,000
Current assets (Debtors; cash at bank and in hand)	Stocks: £3,000 Debtors: £42,000 Cash at bank: £139,000
Total	-£231,000
Net assets	£320,000