**FAQ’s for The Chandos Arms**

**How do we know if the current owner will agree to sell it to the community?**

The short answer is that we do not know the owner’s mind.

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The Chandos Arms was put on the open market 2019 and Punch informed the Parish Council in April 2021 of their intention to apply to delicense the pub.

Oakley Parish Council has applied for the Chandos Arms to be listed as an Asset of Community Value, which will provide a moratorium period in which we can discuss and hopefully agree a purchase.

We do know that the pub is being actively marketed, and it may be that it is sold outside of the community as a result of that

Our conditional offer will be a ‘fair’ price, based on previous independent market valuations reflecting the work needed. Both the owner and his agent are aware of our intentions.

**I’ve heard that Punch Taverns are going to close the pub down – is that right?**

As part of our negotiations with Punch, the Parish Council are working very hard to see how the pub can remain trading if at all possible.

Any questions about the operation of the pub should be directed to Punch Taverns whilst under their ownership.

**Who would actually own the Chandos Arms under this proposal?**

The proposal is that Oakley Parish Council purchase the Chandos Arms on behalf of the village, using a Public Works Loan. This means that the Chandos would be 100% owned by the Parish Council and included within the Parish’s Asset register.

The most appropriate legal structure for managing the pub operations is being explored. Options include the Parish Council working directly with a tenant landlord or manager or, alternatively, a more hands-off approach from the Parish Council might be most appropriate. This would require the village establishing a Community Benefit Society group who would take a long lease (up to 99 years) and would be responsible for the successful running of the Chandos Arms through a tenant landlord or manager.

**Who will run the pub?**

It is not the intention of the Parish Council that the Chandos Arms should be run on a day-to-day basis by a volunteer army of villagers.

To be successful, an experienced tenant/landlord/manager will be appointed, with the aim of enabling them to build a successful business whilst also supporting our community objectives.

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**How would the Chandos Arms as a community hub and pub benefit Oakley?**

Acquisition of the Chandos Arms will benefit the whole community. Experience elsewhere shows people will feel they are part of the project that saved their “local” - and take an active interest in the future prosperity of the pub and hub. Research studies have demonstrated that social cohesion is directly related to the village pub. The same study also noted that for more affluent communities having access to more than one pub helps even more!

As a community enterprise the Chandos Arms will:

* Combat social isolation by providing a meeting place for the community, both as a traditional pub, and also as a place where new and existing groups can meet casually both during the day and evenings
* Support and complement other village facilities such as the Village Hall (e.g. providing catering facilities to support commercial hirers looking for a venue for seminars and training courses) and Church (A meeting place before, or after weddings, christenings and funerals)
* Work closely alongside Oakley community groups (e.g. WI, Afternoon Club) as a convivial venue for events, such as coffee mornings and afternoon teas or regular charity fund raising events
* Encourage the creation of new community groups – ideas of what for Oakley?
* Provide employment opportunities, especially for older teens looking for their first part time job.
* Provide a base for walking and cycling groups to meet and socialise.

**What about the potential impact on other community facilities, such as the village hall and the proposed shop?**

Village Hall
The Chandos Arms has worked alongside the Oakley Village Hall for decades – there is nothing to suggest that moving the Chandos Arms into community ownership would change that situation.

Proposed Oakley Stores
The proposals for both the purchase of the Chandos Arms and the establishment of a new shop for the village bring opportunity for synergy and co-operation.

The intention is to build working models which enable both the shop and the pub to thrive – through co-operation and consideration. It is still the intention to go ahead with the proposed shop as well as save the pub!

St Mary’s Church
The Chandos Arms is ideally located to allow gatherings before weddings, after christenings and funerals, also providing additional parking if necessary.

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**What is a Public Works Loan?**

Public Works Loans are provided by the UK Debt Management Office of HM Treasury in order to undertake capital projects of value to communities.

They are secured against the precept (the amount of your council tax that is paid directly to Oakley Parish Council), rather than the value of an asset. They are used by Parish and Local councils across the country to fund a range of capital expenditure – from playgrounds, infrastructure, pub purchases or village hall upgrades.

More details can be found at <https://pwlb.gov.uk/responsibilities/local-authority-lending>

**Why would the Parish Council borrow over 50 years?**

When a business borrows money, the cash it receives now will be paid back with cash it earns later. A basic rule of inflation is that it causes the value of a currency to decline over time. In other words, cash now is worth more than cash in the future. Thus, inflation lets debtors pay lenders back with money that is worth less than it was when they originally borrowed it.

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Interest rates are at historic lows today. Public Works Loan Board interest rates are considerably lower than those available from commercial lenders, and would be fixed at the same low rate for the full duration of the loan.

We believe that securing the loan over a long period of time provides the best value to the village.

**How can the Chandos Arms succeed this time when previous tenants have failed?**

This purchase by the Parish Council would give us a pub that is owned by the community, for the community. It is not something that is imposed from outside and can be so much more than a ‘just’ a pub. It will have its roots within the community and bind people together in a way that few other things are able to do.

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As a freehold, thus free of any ties imposed by a pub company or brewery, and under community ownership the Chandos Arms will offer a broad range of locally sourced food and drinks and will also be well placed to offer services that are attractive to the numerous cyclists and walkers that frequent the area.

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In order to survive and succeed, any business, any pub, has to be commercially viable. Assessing that viability is a vital part of the process and community ownership can contribute significantly to a successful future.

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In order to support the aim of creating a social hub for the community, the Chandos Arms must first and foremost be able to succeed as a pub business.

**What about the impact of Covid-19?  Is it really the time to buying a pub?**

The Chandos Arms has served our village community since the early 18th century.  Right now, we have a once-in-a-generation opportunity to buy it. More normal times will return and if we fail to take this opportunity through a short-term fear of an uncertain future, then the opportunity will almost certainly be lost forever.

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If we grasp this opportunity now to create a community-based asset, the Chandos Arms will continue to serve our community whatever the future holds.  In community ownership, the way we use the property can be adapted to meet the village needs as they change overtime. Please support us in taking the long-term view.

**What happens if it all fails?**

In the worst-case scenario, despite a sound business plan, vigorous and sustained marketing and the support of our community, it is of course possible that the business may not develop as anticipated and the pub could be forced to close.

In that circumstance, the Public Works Loan would still need to be repaid. The Parish Council would still own the Chandos Arms as an asset, and would then make appropriate decisions at the time on how to move forward with it to continue to repay the loan.

In the absolute worst case an increase in precept, potentially in the order of £40 per year for a Band D house, could be necessary.

**Isn’t it going to be expensive to refurbish the building?**

As part of our due diligence in the purchase, the Parish Council has commissioned a Listed Building Survey. Once results of this are available, we will have a better idea of the potential remediation and refurbishment cost, and our offer to purchase the pub is contingent on this survey.

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While overall the property appears to be in reasonable condition, there are a few sections that are in a poor shape and have been badly maintained which will require repair.  The objective for the initial refurbishment would be to undertake essential works required to allow the pub to remain open; and to also complete any works that would be potentially disruptive to trade if carried out after reopening.

**The Chandos Arms is a listed building and has a thatched roof – how will they be maintained?**

Undeniably, a building that is both listed and thatched is going to require investment over the years in order to maintain its integrity and safety.

The business plan has this built into the financial modelling – both as one-off costs and also long-term requirements.

**Was the questionnaire cancelled?**

The short answer, is yes!

At the public meeting in early June, we issued a questionnaire to all attendees and the intention was to publish this more widely around the village (both on paper and online).

However, based on the results of the questionnaire from the meeting attendees, a fast moving situation at the pub and advice from the Plunkett Foundation we decided to revise that plan.

As we were in the position to provide a detailed proposed plan, we wanted to do that and receive comments, questions and opinions on it instead.

**Does the Parish Council have sufficient funds to cover loan costs etc if there is a delay between taking ownership and appointing a manager/tenant?**

The Parish Council does indeed have sufficient funds to cover a delay – however will work hard to avoid using it and tie timings together.

As part of the loan application to the Debt Management Office (DMO), we are required to provide a cash flow forecast which will detail anticipated income and expenditure timings. This will be presented at the Extraordinary Parish Council meeting on July 8th and subsequently published to the village.

**Is there a business plan in place and if so, will this be shared with the village?**

Yes – as part of the loan application to the Debt Management Office (DMO), we are required to provide a business proposal/plan which will provide more details of the intention, budget and plan. This will be presented at the Extraordinary Parish Council on July 8th and subsequently published to the village.