

Chandos Arms, Oakley

Oakley Parish Council Proposal

This notice is intended to provide you with information about the proposed purchase of the Chandos Arms by Oakley Parish Council and to request your feedback.

Background

The building that houses the Chandos Arms dates from the early 18th Century and is one of only 14 listed buildings within Oakley. It was first recorded as a public house in 1756 – initially known as the Three Horseshoes and, from 1829, renamed The Chandos Arms.

It is one of the last remaining amenities in our village, becoming the only pub in the village in 2011. The pub is a 'tied' pub – meaning that its tenant is required to purchase much of their stock from the owner. Punch Taverns have been seeking to sell the pub for some time and have recently informed the Parish Council of their intention to apply for planning permission for change of use to residential.

The Proposal

The Parish Council has commenced negotiations with Punch Taverns to agree terms under which the Parish Council would purchase the Chandos Arms. If the deal is agreed, the pub would be wholly owned by Oakley Parish Council.

The Chandos Arms is currently on the market for £365,000. We know that additional money would need to be spent on remediation and refurbishment works, for which Parish Council have commissioned a Listed Building survey in order to get accurate cost estimates. Our offer to purchase the pub is contingent on this survey and its findings.

The Financing

This proposed purchase would be funded by a Public Works Loan. Public Works Loans are provided by the UK Debt Management Office of HM Treasury for capital projects of value to communities.

The loan would be repayable in equal instalments over the 50-year life of the loan and would bear a fixed rate of interest. The rate as of 22nd June is 2.25%. This would equate to repayments of between £13,000 and £20,000 per year (depending on the final amount of borrowing required).

There is no increase in the precept anticipated to cover the cost of the loan. It is our intention that the cost of the borrowing would be covered by income from leasing the pub. In the scenario where the pub is unsuccessful, there is a theoretical possibility that the Parish Council would have to fund the repayments from the precept. However, the Parish Council would also own and control the pub in this circumstance and could sell/use the property in other ways to generate the necessary income.

The Management

Options are being explored to determine the best legal structure in which to manage the pub.

One option is to establish a Community Benefit Society (CBS) which would act as an oversight organisation for the pub. In this model, the Parish Council would grant a long lease (up to 99 years) to the CBS under which they would be responsible for ensuring the successful operation of the pub.

The CBS would have the freedom to decide the optimal way to support the day-to-day operations of the pub. This may be to employ a manager, or alternatively they may choose to sub-let to a tenant/tenant-couple.

In an alternative model, the Parish Council may simply let the pub directly to a new tenant.

Why should the Parish Council purchase the Chandos Arms?

Put simply, to save our last remaining pub!

For most villages a pub is a vital service; it is a meeting place, communication centre and an important lynchpin of village life. It is a space for mark important milestones in our lives – birthdays, weddings and funerals. A great community pub also makes space for the day-to-day needs of the community, whether that's a coffee and cake with friends, or a refreshing drink after a walk or bike ride.

The Chandos Arms is one of the few amenities we have left in our village. Much of the appeal of our village rests on its sense of community, it is the reason many people have moved here and remain here. Making the Chandos Arms a hub of community activity would enhance that community spirit.

As well as being of value to the community, we also believe there is good value and opportunity in the pub as a business too. If the pub was able to move into community hands, it would be Freehold, rather than 'tied' – giving the landlord/tenant flexibility in their purchasing options (both economically important, as well as giving them flexibility to meet the needs of the customers).

A village pub contributes to the desirability of a community for people looking at buying new homes. There are a lot of articles available that suggest property values can decrease quite significantly (estimates are around 5%) in the absence of a good local pub, especially in rural areas.

Oakley Parish Council believes that this is a once-in-a-generation opportunity to bring the pub into community hands. Doing so will ensure the survival of the pub as a thriving business at the heart of our village rather than losing it to delicense & potential development of the site.

Ask your questions & share your opinions:

We want to hear thoughts and opinions from across the village on this proposal.

Please take the time to contact the Parish Clerk by Sunday 4th July 2021 by email to savethechandos@outlook.com or by letter to: The Parish Clerk, 14 Ashfield Rise, Oakley.

For more information, you will find a set of Frequently Asked Questions (FAQ's) on the Oakley Village website (<https://www.oakleyvillagecommunity.co.uk/save-the-chandos-arms>). If you require a printed copy of the FAQ's, please contact the Parish Clerk (14 Ashfield Rise).

We will not be taking or answering questions on social media – the FAQ's will be updated to answer all questions that come for the whole community.

This proposal will also form the agenda for An "Extra Ordinary" Parish Council meeting which has been called by the Chairman of Oakley Parish Council and will be held on **Thursday 8th July at 7pm in Oakley Village Hall**, held separately to the normal Monthly Parish Council meeting. This meeting is open to the public if you wish to attend.