



Community pubs - a social innovation in rural development

70 villages in the UK have bought their pubs by setting up community co-operatives. They then act as hubs for village life.

Toby Johnson & Jean-Luc Janot, AEIDL (Initial source: [The Guardian](#))



Locals in Beckley celebrate the purchase of their pub. (Photo: [BACBS](#))

A small north Yorkshire village pub which was saved by its local community after going bankrupt has been named the best in the UK. The George & Dragon in Hudswell, near Richmond, closed in 2008 after the owners went bust at the height of the recession, but regular customers formed a co-operative to buy and refurbish the premises. The pub reopened in 2010. [The Campaign for Real Ale \(CAMRA\)](#) has now given the George & Dragon a top accolade, naming it national pub of the year 2016.

The pub beat off competition from 52,200 others to clinch the award, and is one of only 70 community-run pubs in the UK. *"The George & Dragon is a great example of how a pub has been resurrected as a true community asset,"* said Paul Ainsworth, CAMRA's coordinator for pub of the year finalist. *"To go from closed doors to winning national pub of the year in just a few short years is a fantastic achievement for any pub – and all the more impressive for one that is cooperatively owned."*

James Alcock, general manager at the [Plunkett Foundation](#), which provided support and funding for the pub, said: “Community-owned pubs such as the George & Dragon are an exceptional example of how a community can succeed in running an enterprise. Within a short space of time, a community has rallied together in order to save a vital village resource and have now been rewarded for all their hard work.”

Owned by the community, for the community

A co-operatively owned pub isn't something that is imposed from the outside. It has its roots within the community, and binds people together in a way that few other things are able to do. It is a way of securing and preserving something precious; a place where people can share their joys and sorrows, celebrate and commiserate, or just pass the time of day in what is truly their own pub.



(Photo: Plunkett Foundation)

The Plunkett Foundation advocates the co-operative approach (see *box*). A co-operative pub is owned and controlled by a large number of people from within the community - typically around 200 people. [Pubs saved in this way](#) are governed democratically on the basis that each member gets one vote, regardless of how much money they invested. In the foundation's view this is important, because most communities are made up of people with very mixed incomes, and the co-operative model makes sure that everybody has the opportunity to have a say about what's important to them.

Co-operative pubs have both open and voluntary membership, which means that new people moving into the community, or those who have not previously been involved, can still become members. They tend to be run by full-time managers or tenants with the support of members of the community who volunteer.

CAMRA estimates that 29 British pubs close every week (see *article below*). More and more communities are choosing to take action themselves and consider community ownership as a way of taking control of their pub and opening it as a community owned business. To date, 1,250 pubs have been registered as 'assets of community value' under community rights, and the

Plunkett Foundation has a growing pipeline of communities asking them and their partners for help. As of July 2016, there are 42 co-operative pubs open and trading.

A [guide](#) has been developed by [Pub is The Hub](#), a not-for-profit advisory organisation initiated by the Prince of Wales in 2001, which is the only national advisory body working directly with licensees and linking up with both private and public sector partners to support community-owned pubs and rural regeneration objectives.

Community Shares

The Community Shares Unit (CSU) is a joint initiative between the Locality and Co-operatives UK networks, with funding from the Department for Communities and Local Government (DCLG). Its objective is to support enterprises, promote good practice and raise awareness of community shares as a sustainable funding mechanism for community enterprises.

Since 2009, almost 120,000 people have invested around €120m to support 350 community businesses throughout the UK. Community shares are equity capital which has the legal peculiarity that rather than being tradeable and transferable like company shares, it is withdrawable. This type of capital is unique to co-operative societies, community benefit societies and charitable community benefit societies. It is thus particularly suitable for people who wish to invest in and be part of a community project, but might at some point in the future want to reclaim their money. Community shares typically pay a limited rate of interest. They entitle each investor-member to one vote in the cooperative.

The term 'community shares' was coined by the Development Trust Association (DTA) (now known as [Locality](#)) in its 2008 publication "[Community Share and Bond Issues](#)", which examined how a growing number of community enterprises were raising investment capital from their local supporters.

In the same year, [Co-operatives UK](#) published a document called "[Community Investment - using the original industrial and provident society legislation](#)", addressing the same phenomenon, but focusing exclusively on societies.

Towards the end of 2008 the DTA and Co-operatives UK came together to establish the Community Shares programme, an action research partnership funded by the Cabinet Office and the Department of Communities and Local Government (DCLG). The programme ran from 2009 to 2011. Over 70 societies registered during this period have now successfully completed a community share offer.

The Community Shares Unit was launched in October 2012. It continues as a joint initiative between Locality and Co-operatives UK, with funding from DCLG. Its overriding objective is to grow a sustainable market for, and ensure the long-term success of, community shares to raise equity finance and participation, with due process and protection for investors, in a range of community and co-operative enterprises.

<http://communityshares.org.uk/find-out-more/about-community-shares-unit>



CAMRA wants to make it easier for communities to save local pubs in danger of closing down. (Photo: Martin Rickett/PA)

Communities protect their liquid assets

The number of pubs in Britain is falling by 2.7% a year, according to the Campaign for Real Ale (CAMRA). But it is surprisingly easy to protect them by getting them recognised as Assets of Community Value.

There were 52,750 pubs in the UK at the end of 2015, down from 54,194 in December 2014 – a decline of 1,444 – according to CAMRA's figures, which were compiled by independent research company CGA Strategy. Some 27 pubs are still shutting their doors every week.

CAMRA has launched an initiative to protect 3,000 pubs from demolition or conversion to other uses. CAMRA has been mobilising its members in England to nominate their local pub as an 'Asset of Community Value' (ACV) and offers advice and guidance to other community groups looking to do the same. Currently pubs can be demolished or converted to other uses without planning permission, whereas pubs with ACV status are given planning protection under laws introduced in April 2015.

With 800 pubs currently nominated, the initiative aims to raise the profile of ACVs to the pub-going public and increase the number with the status to 3,000 by the end of 2016 – an ambitious target, but one which CAMRA say is essential if England's pubs are to be properly protected.

"Holes in the current planning system allow pubs to be sold off, demolished or converted to many other uses without planning permission or the involvement of the local community. However when a pub is nominated as an Asset of Community Value it automatically receives planning protection meaning it is no longer a soft target to would-be developers looking to quickly purchase and convert or demolish the pub – which in some instances has literally happened overnight.", said Tom Stainer, CAMRA's Head of Communications.

CAMRA has invited other local community groups to work with it in gaining this vital protection and urges community groups, or individuals, to get in touch with their local CAMRA branch to highlight valued pubs.

"Nominating a pub as an ACV is a surprisingly simple process. You can either nominate as an unincorporated group of 21 local people, as a Parish Council, or in connection with another local group including a CAMRA Branch. Some towns, such as Otley in West Yorkshire, have gone as far as nominating every pub in their area for ACV status to ensure all are protected in coming years," Tom Stainer added.

Despite the protection afforded to pubs through the ACV system CAMRA say this doesn't go far enough to curb the closure of pubs in the UK and that the next logical step is to extend the same protection to all pubs across England.

More information: http://www.camra.org.uk/home/-/asset_publisher/UzG2SEmQMtPf/content/new-pub-closure-statistics-revealed

Articles from The Guardian: <https://www.theguardian.com/business/2014/aug/12/pubs-closing-rate-31-week> / <https://www.theguardian.com/lifeandstyle/2016/dec/26/campaign-for-real-ale-government-give-pubs-new-protection-camra-planning>

The Assets of Community Value (England) Regulations 2012:
<http://www.legislation.gov.uk/uksi/2012/2421/contents/made>