

## **HOTV public Management Committee meeting (Zoom) minutes**

6 July 2020, 7:30pm

Present: Graham Gleed (Chair), Mike Blair (Vice-Chair), David Crabbe (Treasurer), Nick Sloan (Secretary), John Davison, Dave Evans, Heather Venn.

Up to seventeen guest Members were also present at various points of the meeting.

- 2.1 The minutes of the last meeting were unanimously agreed

### **Trading update**

- 3.1 DC has drawn up an Indicative Profit and Loss account for the first trading quarter of the shop, currently our only source of trading income. Sales over the quarter amounted to £56,978. Gross profit was £18,300, which takes into account a major increase in stock. Administrative costs were £13,067, giving an operating profit of £5,233. DC considers this a healthy performance in the circumstances, and thanks Jo and Carolyn for their excellent work. All agreed that they are doing a great job.
- 3.2 Neil Morgan asks if there is a target gross profit margin; GG replies that we budgeted 25%, but that at about 32% we are substantially ahead of this.
- 3.3 GG mentions that the alcohol license is now fully restored, and thanks DE and Sarah for carrying the alcohol from the Village Hall back to the shop.

### **Operations plan**

- 4.1 GG puts up on screen a project management plan prepared by JD, who says that the ops team includes himself, DC and NS. Chris Reah has also agreed to join the team, and will be working with Liz Bennett on Health & Safety. The plan assumes completion of the purchase of the Oak on 31 July. The work will take place in two phases, with the first phase (preparation for the transfer of the shop) beginning on 10 August. JD has obtained prices from all the contractors involved, the total for phase 1 amounting to £9,300. MB will lead the team responsible for the actual transfer of the shop fixtures, fittings and stock. We are aiming for a restricted café service to bring in some revenue while work continues.
- 4.2 Phase 2 will involve work on the pub (west) side of the building to prepare for the full reopening of the pub, either in time for Christmas or in the new year. Members will be kept informed of progress and we welcome ideas and suggestions at all times.
- 4.3 GG shows a drawing illustrating the provisional plan for the building showing the proposed division between shop and bar. NS and JD explain the rationale behind this, and the proposal to make almost all areas wheelchair-friendly. DC adds that the costs are so far looking well within budget, and that while initial trading from the café is not expected to bring in a lot, it will help.
- 4.4 DE thanks JD and NS for the work, and looks forward to co-operation between the shop group and the ops team. He raises concerns about the security aspects of access to the cellar through the shop. JD and NS argue that practical solutions to this

problem have already been considered, **and will be presented for further discussion at the next meeting.**

### **Public questions**

- 5.1 Neil Morgan asks about the “design brief” for pub and shop. NS says that Jo and Carolyn will drive the look of the shop, but probably more farm shop than convenience store. The pub should be comfortable for *all* people in the village, friendly and not too formal. Neil asks if there has been any professional design input. NS suggests that this would not necessarily help, but invites suggestions and says that there is a lot of discussion still to take place. We want the pub to reflect what people want it to be. Paul Fielding suggests that these opinions are documented and that a group be set up to collate them. Further input from HV, Neil, DE, MB, Carolyn and NS. **GG suggests an item on the style of the businesses for the next meeting.**
- 5.2 Peter House asks where the till will be in the shop. The layout of the shop is currently being worked on by Jo, Carolyn and the shop group.
- 5.3 Tom Stobie asked when the volunteers would be able to return. Marilyn Clarke said that government guidance was still that over-70s should not be volunteering, but suggested checking whether insurance would cover volunteers who chose to.
- 5.4 HV reports an email and conversations suggesting that the shop could go in the skittle alley. Peter suggests that at least one skittle alley should be retained, but maybe not both. DE suggests that turnover from the reduced area of the pub may be insufficient. NS: most of these options have been considered. The skittle alleys occupy a potentially flexible area which could have multiple purposes. Neil asks about the upstairs areas. GG: these cannot be used until fire safety [and access] issues have been resolved, but they represent another large and flexible space whose use is still up for discussion. Liz Bennett asks if we have taken professional advice on planning the building, and is “intrigued” when told by GG that we have not. She suggests that it could be helpful. GG summarises that this is an ongoing discussion and that all suggestions will be recorded and taken into account.

### **Approval of loan terms**

- 6.2 GG summarises three loans now to be formally agreed in order to provide funds for buying the Oak. DE asks if each of the loans has to be drawn down in the full sum. GG confirms that this is the case, but explains that each loan comes with slightly different conditions. The total funds available to use will be £525,000 as against the £471,000 proposed in the Business Plan. We will have to “finesse” our use of the loans in such a way as to minimise repayment costs. There is no penalty for early repayment of any of the loans except, as DC points, if the SSEF loan is repaid within 3 years.
- 6.2 **GG proposes, seconded by JD that we approve the Triodos loan, accepting the following wording quoted from their loan Agreement. All agreed.**
- After careful consideration of the terms of the Agreement and each of the documents set out at Schedule 1 (Security Documents) to which the Borrower is a party (together, the “Finance Documents”) and of the nature and scale of the liabilities to be undertaken by the Borrower under the Finance Documents, it was resolved that for the purpose of carrying on its business, it would be of benefit to and in the best interests of the Borrower to obtain the Facility proposed to*

*be made available under the Agreement and to enter into each of the Finance Documents and that: GG and NS be hereby authorised to sign the Agreement and each of the other Finance Documents on behalf of the Borrower.*

- 7.1 GG: The Somerset Social Enterprise Fund loan is for £66,000, paid back over five years, and comes with a £33,000 grant. GG proposes that we accept the loan, seconded by JD and agreed by all.
- 7.2 GG: The last is the More than a Pub loan from Plunkett, which is 50/50 grant and loan, the loan component of which is £50,000 at 8%. GG proposes that we accept, seconded by JD and agreed by all except DE and HV.

### **Landlord search**

- 8.1 GG has drafted a job description and researched salaries. The median salary for a live-in couple, including accommodation, would be about £35,000. GG aims to circulate completed job description and further details on salary for discussion at next meeting.

DE: we may need wider advice on recruitment. Most community pubs with managers end up with tenants because of lack of management expertise within the committee. GG points out that running two businesses within one building could be complicated if the pub was operated by a tenant.

HV: if we plan to sell drinks on a small scale before full pub reopening, do we need a landlord in place? JD: no: we should be recruiting now but we don't want to start paying a landlord until we have a full pub to run. There are contingencies in place to cover licensing in the meantime, though exactly how this will work is not yet clear.

MB: we need to have an agreement about what businesses we are running at any given time in order to have valid business insurance in place.

### **Marketing the Business**

- 9.1 GG circulated a plea for anyone with marketing skills, but has received no response. JD and DE both repeat the need for someone with the right skills to take on publicity. MB suggests that somebody on a marketing course might like to take us on as an exercise. JD agreed to research, and HV to ask her contacts at Bridgwater College. For the next agenda.

- 9.2 Ian Upshall suggests that rather than having a professional publicist we need someone to co-ordinate the various media streams we have available to us.

HV suggested that someone on the volunteer list might be able to contribute.

Tim Slattery suggested a general skills audit of the volunteers.

- 10.1 HV and GG to confer on some outstanding issues to be resolved with Adrian Stables.

- 10.2 Paul Fielding suggest a celebration to mark the installation of the shop in the Oak. HV says the shop group will be looking at this during their first meeting on Thursday.

Meeting closes 9:03 pm (1h, 33m)

The next meeting will be a closed Management Committee meeting on 20 July.