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More than a Pub programme

Executive Summary

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Executive summary

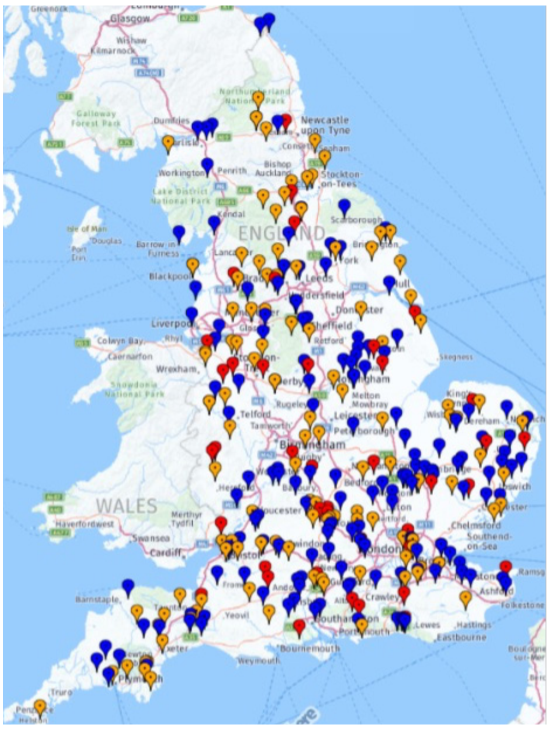
This executive summary encompasses the findings from Renaisi's evaluation of the More than a Pub (MTAP) programme. It includes findings from both the MTAP Learning Paper – Journey of Community Pubs, and the MTAP Final Evaluation Report, both published in July 2021.

The More than a Pub programme is jointly funded by the Power to Change Trust and the Ministry of Housing, Communities and Local Government (MHCLG), formerly Department for Communities and Local Government. It launched in March 2016 and was designed as a two-year programme, later extended to March 2019 and followed by 'MTAP2' which ran to March 2021. Due to Covid-19 Power to Change paused the programme. It was adapted between March-August 2020 and re-started in September 2020. The programme was delivered by the Plunkett Foundation and a network of Advisors, with loans provided by Co-operative & Community Finance and Key Fund. The programme was supported by a Steering Group with additional representatives from the British Beer and Pub Association, Pub is the Hub, the Campaign for Real Ale, Locality, Co-operative and Mutual Solutions, and The Bevendean Community Pub.

The programme was launched with the aim of supporting communities across England to buy and run local pubs at risk of closing, as community-owned businesses. To be eligible for support, groups had to demonstrate that their community-owned pub would be 'more than a pub' – that it would have a positive impact on the community, for example by offering vital local services that would otherwise be unavailable.

About the groups supported by the programme

- A total of **313 unique groups received some type of support throughout the two phases** of the MTAP programme, of which 40 received support in both phases. **Over a quarter of community groups applied for a loan and grant package** (82), of which 55% (45) have either been offered, or have received, the loan and grant.
- Across the two phases of the programme, **117 groups that enquired or were supported dropped out** of the programme due to barriers to their progress.
- The majority of groups supported were located in the **South or East of England (55%)**. Fewer groups were supported in the Midlands (19%) and Greater London (4%). In **MTAP2 there was a higher proportion of groups from the North East** supported (15% vs. 8%), but a **lower proportion from the East of England** (13% vs. 19%).
- The regional distribution of groups applying for a loan and grant is broadly similar to the regional distribution of groups receiving any type of support on the programme, however, **no groups in London have applied for the loan and grant**, despite 11 receiving some type of MTAP support.
- Across the two phases of the programme, **almost three quarters (73%) of groups were based in rural areas (227)**. The urban/rural distribution of groups supported changed slightly from MTAP1 to MTAP2, with **MTAP2 attracting a lower proportion of groups from urban areas** (25% vs. 30%).
- **The places where groups engaged with the programme are skewed towards less deprived areas**. However, the second phase of MTAP has seen an **increase in the proportion of groups from the most deprived areas** (IMD 1-3) receiving support compared to MTAP1, from 7% to 13%.



MTAP 1

MTAP 2

MTAP 1 and MTAP 2

Support provided by the programme

Support provided by More than a Pub programme
Action planning
Learning, events and peer networking
Bursary grants of up to £2,500
Business development advice
A combined loan and grant package of up to £100,000
Communications

- The programme was structured to support community groups from a **very early stage**, to explore whether community ownership of their pub was viable.
- This support spanned: action planning, learning, events and peer networking, bursary grants of up to £2,500,[1] business development advice, a combined loan and grant package of up to £100,000 and support with communications.
- MTAP2 provided support to 70 community groups with a minimum of action planning advisor support, of which 66 groups progressed to receive specialist advisor support to deliver the plan and 19 received a loan and grant package worth a total of £1.8m.
- In addition, during COVID-19, Plunkett Foundation provided support to community groups in the form of ad hoc support, small grants (up to £2,000 for redesigning/repurposing services to trade and/or meet community needs), peer networking and learning (Zoom chats, Facebook group, webinars) and online specialist advisor support.
- Across both phases, the programme has already met many of its KPIs for the Power to Change endowment period (to 2025): it has a **success rate of over 98%**; has leveraged over **£14m in community share capital** through supported community groups and has **enabled 213 groups to list assets of community value**. However, it is still yet to meet two targets: it has moved 63 new pubs into community control (of a target of 80) and has enabled 14,360 new individual members with direct investment in their community-controlled pub (of a target of 16,000).

[1] Four grants of up to £5,000 were awarded to groups in IMD 1-3 areas on a discretionary basis.

Journey of community pubs

In our MTAP Learning Paper (July 2021), we explored the journey experienced by community pubs during the MTAP programme. We found that:

- **Early-stage community groups go through several stages from idea to purchase**. Throughout these stages, community groups use a number of different processes to inform their decision-making. These include community consultations, input from their peers, advice from MTAP advisors and steers from loan providers, sellers, and local authorities.
- **Many challenges and barriers remain, and can be internal or external**. Community groups can experience a range of internal barriers, such as challenges with cohesion amongst the steering group, gaps in understanding and knowledge of the process and further challenges after opening as a community pub. External challenges are also faced by groups, such as competing against the financial opportunity presented by the pub site, reluctant sellers, a lack of understanding and engagement from the community and a lack of other sources of funding.
- **With favourable conditions, it is possible for community groups to be successful without the need to take on an MTAP loan and grant**. Community groups that were successful without needing to take on the MTAP loan and grant were able to do so because they had a **willing seller**, a **strong and skilled steering group** and an **ability to raise sufficient funds** through the community without additional investment.
- **Unsuccessful groups face similar challenges to successful groups, but to a greater degree**. They are therefore harder to overcome. For example, in the case of issues with the steering group, **unsuccessful groups struggled with the capacity of the steering group** (in addition to gaps in skills and understanding sometimes also faced by successful groups) and with the **ability of the steering group to function effectively** (as opposed to less acute group cohesion issues that can sometimes be faced by successful groups).

- **There are three key ingredients to supporting the sustainability of community pubs**. These include ensuring the pub is run as a business; making the most of the community ownership model; and having a management model that works for the pub and the community.

Ensuring the pub is run as a business	Making the most of the community ownership model	Having a management model that works for the pub and the community

- **COVID-19 has had an impact on the journey of community pubs**. The impact of COVID-19 has been multi-faceted. Community groups on the journey to ownership experienced changes to MTAP support delivery, delays in the processes required in the journey and difficulty in raising funds. Pubs already in community ownership experienced a significant impact from COVID-19; many suffered from a loss of core income and a need to adapt to COVID-19 secure measures. However, the impact was not always negative: many felt an increase in interest around community pubs, particularly at points after lockdown restrictions were eased.

Impact of the MTAP programme

When looking at the impact of MTAP several key lessons emerge, specifically:

- **MTAP supports the development of community groups** so that they: can **better understand the process and timescales** involved in buying a community-owned pub, are better able to **navigate the process of buying a pub**, better able to **access funds** to buy a pub, better able to have the confidence to buy a pub and are better able to understand how to run a pub once brought into their ownership.
- **Some community groups have faced barriers in their development** related to the MTAP programme. Specifically, the length of the application process, knowing how to showcase their social impact, and lack of flexibility in the grant and loan offer.
- The **impact of the standard shares mark and the diversity and inclusion guidance has been mixed**, with the usefulness of the standard share mark still to be determined and the diversity and inclusion guidance difficult to implement in some circumstances, and unable to address structural barriers to diversity.

Impact on place

- Twenty community pub groups based in the most deprived areas of the country (IMD 1-3) have been supported through MTAP2. However, despite efforts from MTAP to increase the success rates of community pubs in IMD 1-3 (typically urban areas), **MTAP was only able to bring two of these pubs into community ownership during the timespan of the programme**.

Structural Factors
Lack of community wealth
Lack of relevant skills
Lack of social capital

- Whilst there are some MTAP design and implementation factors that have impacted IMD 1-3 community groups' ability to progress in their journey, such as the language and the assumptions used to conceptualise a community pub, the extent to which the programme successfully supported groups in these areas was **primarily driven by wider, more structural issues**.
- Communities in IMD 1-3 areas have **limited community wealth** compared to those in less deprived areas: net annual household income estimate before housing costs in deprived areas is £25,056 compared to £31,905 respectively in the rest of England.[2] This means that it can be more difficult for community groups to raise enough money in community shares to be able to purchase a pub.
- Locality (2018)[3] also suggest that in areas of high deprivation, communities may lack the capacity to take on the process of asset ownership, because of a **lack of professional skills and experience**, and a **lack of social capital**.
- It is often seen that community groups based in **both IMD 1-3 and urban areas** see some of these **structural factors exacerbated**. For example, a lack of community wealth coupled with higher property prices means it is even more difficult to raise enough in community shares for pub purchase.
- Despite this, **urban deprived areas may be more able to alleviate some structural issues than rural deprived areas**. For example, drawing in talent and skills from outside their immediate catchment area (in cases where the required professional skills and experience are not available locally) is much more feasible in an urban area than a rural area.[4]

2 Oxford Consultants for Social Inclusion (2020), Left Behind areas 2020-Interim Set, https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2020/07/Left-Behind-Areas-IMD-2019-REVISED-SLIDE-DECK-with-revised-unemployment-slide-Read-Only-copy_compressed.pdf

3 Locality (2018), Places and Spaces: The future of community asset ownership, https://locality.org.uk/wp-content/uploads/2018/03/Locality-Places-and-spaces-report-final.pdf

4 Power to Change (2020), Community business: The power on your doorstep, https://community-business.powertochange.org.uk/wp-content/uploads/2021/03/Power-on-your-doorstep-Full-Report.pdf, p.91

Impact on longer-term sustainability of community pubs

- **MTAP has increased community pub ownership in England**. Prior to the introduction of the MTAP in March 2016, the community pub sector in the UK consisted of 66 pubs in 2015[5], 58 of which were based in England.[6] In 2021, there are 137 known community pubs trading across the UK, 122 of which are based in England.[7] Most notably, MTAP has supported 63 pubs into community control.[8]
- MTAP has better enabled community pubs to **plan for a financially sustainable future**. The design of MTAP has encouraged community groups to think about financial sustainability from the beginning, by creating business plans that prevent pubs becoming reliant on grant funding.
- It has also encouraged community pubs to **consider their community benefit as part of their long-term plans**, through ongoing community engagement. Developing a well-thought-through range of activities and services not only provides a benefit to the community, but also helps **maintain community engagement** in the longer term and **consequently leads to more custom and higher income generation** for the business.
- MTAP has enabled community groups to **find a suitable management model** that is organisationally sustainable through supporting them to explore their options and make informed decisions. **Three-quarters of surveyed community pubs were found to be either satisfied, or very satisfied**, with the choice of managed or tenanted model they had made.[9]

5 Plunkett Foundation (2020), Co-operative pubs: A better form of business, https://plunkett.co.uk/wp-content/uploads/Plunkett_BB-2020_Pubs_final.pdf
6 Power to Change, MTAP Briefing Information revised, May 2021
7 Ibid
8 Ibid
9 Results from the Power to Change grantee survey March 2021, based on 35 responses

- The following **elements of the MTAP programme** tend to lead to **longer-term sustainability** for community-owned pubs:

Loan and Grant

Encourages blended funding

Enables community ownership of assets

Peer support

Builds network of community pubs to draw on for support

Showcases success stories

Advisor support

Encourages future planning

Supports with social impact, diversification of trade and service provision.

Empowers community groups

Supports with community ownership and engagement

Media campaigns

Raises the public profiles of community pubs locally, and nationally

- Some groups felt they needed additional support, such as extra support with **long-term financial sustainability** and **support once the pub has been brought into their ownership**.

Learnings from the MTAP programme

- **MTAP offers unique, vital support to the community pub sector**. It is often thought of as one of the only options for community groups in terms of advice and financial support in their journey towards community ownership.
- Whilst MTAP has increased community pub ownership in England, it has **rarely helped groups in urban areas and more deprived communities overcome structural barriers to community pub ownership**. For the programme to address these structural barriers to more diverse pub ownership, it would need to be designed differently, with significant changes to its current form.
- **The peer element of MTAP** (social media groups, opportunities to visit community pubs and study visits) is an essential part of the programme. It has inspired communities and enabled and encouraged a well networked sector of community pubs that support each other.
- MTAP has also **increased the profile of community pub ownership with different stakeholders** that community groups directly, and indirectly, interact with during their journey. MTAP advisors have supported groups to raise the profile of community-owned pubs in **their local community** by supporting groups at community meetings and providing advice on how to promote their campaign in local media.
- The **design of the MTAP model has encouraged community groups to think about sustainability from the beginning**, by creating business plans that prevent pubs becoming reliant on grant funding. However, we are still yet to fully understand the longer-term **sustainability of the community pub sector**. The process of purchasing a pub is lengthy and complex, and as such there are a limited number of examples of open and trading community pubs that we can draw on to understand longer term sustainability.
- Whilst MTAP has had an impact on the community pub sector, much of that impact is dependent on external factors such as structural issues, prohibitive Government policies and/or legislation and difficulties accessing finance. As such, **there is only so much that a time- and fund-limited programme such as MTAP can do, without the wider systems to support its progress**.

Future of the Community Pub sector

- It is important **not to lose what has been gained through the MTAP programme**. This includes strong **partnership working** between Plunkett Foundation, Power to Change, loan providers, the steering group, and other stakeholders.
- It is not solely about maintaining these relationships but using them to work towards a **common goal or strategy** for the community pub sector. This points towards the need for a membership or infrastructure body for the community pubs sector, to continue to advocate for the sector, hold collective expertise and provide ongoing support.

Support for IMD 1-3 and urban areas
Considering different ways to support steering group's capacity and skill sets
Adapting the definitions of 'pub' and 'community'
Being proactive at finding community pub ownership opportunities
Providing additional financial support

- One way of achieving this goal could be the **development of a new dedicated programme of support** for the community pub sector, designed to take into account what has been learnt through MTAP.
- Consider supporting community groups in urban areas and more deprived communities to take pubs into community ownership, and **overcome some of the structural barriers they face**.
- Support provided needs to be considered in light of the **£150 million Community Ownership Fund**, and the **wider policy landscape**.
- Of particular importance are **factors that could threaten the sustainability of the community pub sector**, such as the role of developers and the lack of legislation to help community groups challenge developers and the concern that the ability to place assets of community value in early stages of development could easily be removed in a policy shift, which would make it more difficult to place pubs into community ownership.
- However, the **shift in social habits and landscape within pub culture** could help the longer-term sustainability of the sector, particularly **given this shift has been exacerbated by the COVID-19 pandemic**. Traditionally, pub culture has sometimes been seen as a "working men's club", but this has changed with the onset of pubs moving towards diversified income streams such as music and food and attempts to appeal to a more diverse customer base. More recently, the COVID-19 pandemic has highlighted the social value of pubs.

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