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# *Q&A – Woodstock Social Club AGM – for discussion*

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## **What exactly is the Committee Proposing?**

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We are recommending a two stage process.

Firstly, we are recommending to members that the Club incorporates as a community benefit society (CBS). This has the advantage of ensuring that the Club and its buildings are legally protected for the benefit of the residents of Woodstock via an asset lock which means it can only ever be sold to another community group or organisation whose rules provide the same level of protection of the assets. All current members would have the option of becoming members of the CBS.

Secondly, as a CBS, we would look to lease the club to a commercial tenant – in the same way as community-owned pubs are leased to tenants. The tenant would take the commercial risk of generating sufficient income to make a profitable living from the club premises, with all members and residents of Woodstock able to take advantage of the facilities on offer.

## **How will this make the Club profitable and successful?**

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It is clear from the past few years of trading, that running club in the traditional way is loss-making and unsustainable in the long term. Our solution is similar in approach to that chosen by many local pubs, where members of the community acquire the freehold through a CBS and then appoint a tenant with the expertise to run a profitable licenced trade from the premises. An example of this model at work can be seen locally at the White House at Bladon.

## **Does this mean the style of our club will change? Will it become just another gastro pub?**

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Our tenant would need to be free to operate the pub in a way that is commercially successful, but our lease would seek to include regular collaboration to ensure that the Club was seen to be delivering what the people of Woodstock would like from the Club.

## **Will you consult the residents of Woodstock on what they want from the Club, or just the existing members?**

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We plan to undertake a wide consultation of all members – regardless of whether they have used the Club recently or not – as well as the wider population of the town to find out the sort of Club they would like us to become.

### **Does this mean our Club won't offer traditional Club activities – like Sky Sports, Bingo, live music and the like?**

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While we know there will be changes to ensure it's commercial success, there is no reason to believe it won't offer many of the traditional pastimes and events that many of us are familiar with, such as live music, sport on TV, quiz nights and running sports teams.

### **If the Club is run by a tenant, do we have any say in how it is run?**

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Not in the day to day running, but we would look to recruit a tenant that shared our new vision for the Club and there would be regular liaison meetings with the tenant to collaborate on meeting our common objectives.

### **Will we still get members discounts on drinks in this new set up?**

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A CBS has to be run for the benefit of the whole community, not just the members, but there is no reason why a tenant could not offer loyalty discounts and happy hours, providing they were offered to all customers – whether members or not.. In practice we would anticipate the majority of regular customers becoming members as well.

### **How does appointing a tenant stop the Club losing money**

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A commercial tenant will have the opportunity to lease licensed premises from the CBS in a prime location in Woodstock at a rent set to enable him or her to make a profitable living. The tenant will have the freedom to run the Club in a way that will generate the necessary income. Including a food offering.

### **Can you explain what a community benefit society is?**

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A Community Benefit Society (CBS) is a type of legal organisation that's registered with the Financial Conduct Authority (FCA). It is a not-for-profit business model which makes it very attractive to funders who offer grants for organisations such as this. Membership of a CBS is organised on the principle of one-member, one-vote, so it's a great structure where there's a fundamental equality between members which needs to be baked into the business. That's a big reason why it's so popular for community ownership of local assets which have meaning and importance for the whole community, such as pubs, shops, football clubs, leisure facilities and so on.

### **Are there any other social clubs which have changed their structure in a similar way?**

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A number of social clubs have made the transition from members club to a community pub model, sometimes continuing to run the trade themselves and sometimes, like our proposal, by appointing a tenant.

## Are there any other benefits to making this change?

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As a not for private profit organisation run for the benefit of the wider community a CBS can apply for a wide range of grants aimed at helping local communities. Typical examples might be the addition of solar panels to generate green energy, or grants to refurbish elements of the building so they can be used by the wider community more effectively.

Secondly, a CBS can raise funds for development by selling community shares to the wider community. Unlike company shares, these shares cannot go up in value, but the CBS can pay interest on the share capital, and the share capital can be withdrawn from surpluses generated by CBS trading.

## What are the Key Features of a CBS

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- Benefits wider community as well as members
  - Elected committee manage the CBS on behalf of members
  - One member, one vote
  - Member liability limited to share value which cannot increase
  - Statutory asset lock using Plunkett Foundation's Model Rules
  - Shares can be withdrawable at the discretion of management committee
  - Can pay interest to shareholders at a rate to retain sufficient capital
  - Registered with the FCA
  - Profits can be reinvested or distributed for social or charitable purposes
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