

EGERTON UPDATE

Special report on Egerton Village Stores

June 2018



Can We Save our Village Store?

Over 100 people packed into Egerton Millennium Hall for the latest public meeting which provided an update on plans for a community-backed scheme to acquire and run Egerton Village Stores.

Attendees heard that the proposed project for the community of Egerton to buy and manage the village shop and to rent out the attached accommodation – plans that were outlined at the first public meeting in March – was being prepared for launch. The audience heard that the idea of a community acquisition was still the proposed solution. However, those present heard that the method of proposed funding for the purchase of the building and business and renovation of the property had been refined, so as to open up the opportunity for optimum access to potential grant funding alongside the individual investments that were being sought from residents.

Egerton Parish Councillors Richard King and Peter Rawlinson presented the latest plan and were joined by Mark McTaggart of the Plunkett Foundation, an organization that helps communities to take control of their challenges and overcome them through co-operation. The Foundation's aim is to support people, predominantly in rural areas, in setting up and running life-changing community co-operatives.

The presenters explained that, after witnessing the hugely positive reaction from residents for the project at the first public meeting and taking into account the feedback and investigations into the various grants that could be available, the EPC Finance Sub-committee working on the project, had decided that a Community Benefit Society (CBS) would be a better way forward than the originally-proposed private enterprise approach.

This arguably more democratic and inclusive option would also open up access to more grant funding, while at the same time easing some of the burden faced by potential investors in the village, which had faced the prospect of financing the whole of the proposed enterprise.

Support from The Plunkett Foundation

Mark McTaggart explained the support role of the Plunkett Foundation and stressed that the

idea of the community acquiring the shop in Egerton was not uncommon, citing

the current 356 community stores in the UK which the Plunkett Foundation had backed.

He said that community-run stores have a 95 per cent survival rate after five

years compared with a rate of around 41% for normal retail businesses. He explained that while the village would have to raise a significant amount of the funding required, there were usually more generous interest rates available for investors (typically around 3 per cent), and there were also opportunities to apply for some significant grants.

The meeting heard that the Finance sub-committee had already successfully applied for a small initial grant from the Plunkett Foundation, which had funded a number of days of

AT A GLANCE:

- Plans for the Community Purchase of Egerton Village Stores progressing
- Another significant public meeting audience hears of latest plans to buy the business
- Community Benefit Society to be established to acquire shop and business
- Non-binding pledges now being sought from potential investors
- Grant applications under way with various community organisations
- However, meeting hears that crucial deadlines are now looming

"If just half of the homes in the village would spend just £10 a week in the community store in future, then it would be a viable business"

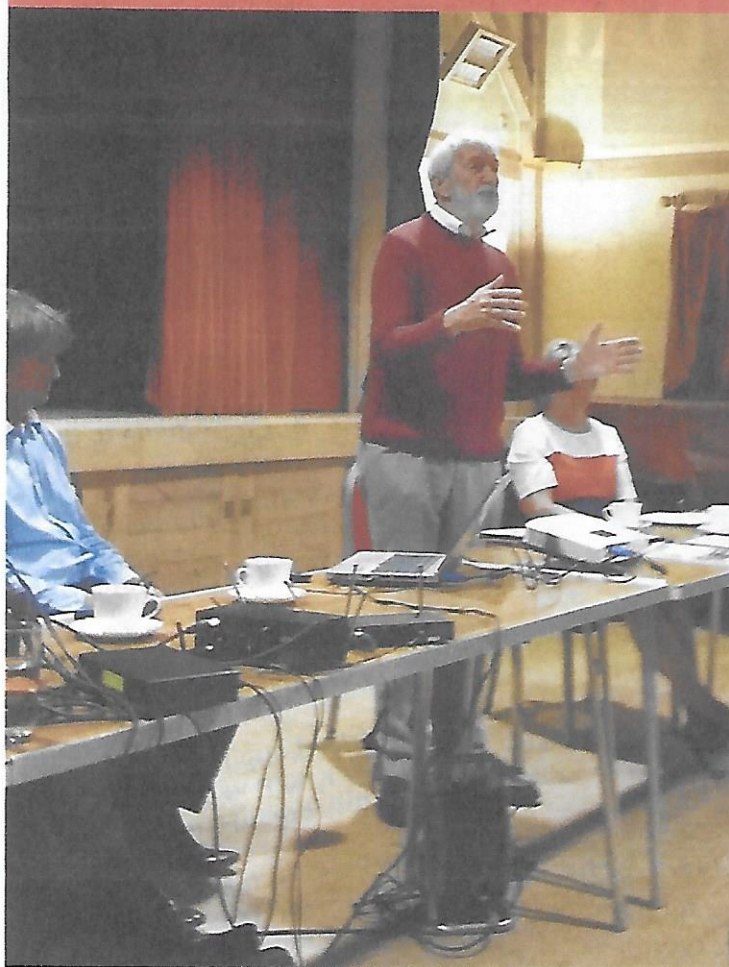
consultancy from Mr McTaggart, who is helping to develop the business model and identifying grant opportunities. The meeting was told that the CBS would eventually have its own Board of Directors elected by the investors, and the Society would be obliged to use a 'one member, one vote' approach, no matter what sum of monies an individual invests.

Interest on investment

The Society would pay interest on monies invested that would be considerably better than current bank interest rates and it would be backed by a significant asset consisting of the building, the business and the rental accommodation. Those attending the meeting were then asked to indicate their potential support for the project by completing a non-binding financial pledge form, so that the sub-committee could then gauge the level of potential financial support for the project from the village. The level of response would determine whether or not the project could be viable and if it could proceed or not, the audience was told.

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Community purchase plan explained



Egerton Parish Council chairman Richard King takes questions from the audience (above). Over 100 people attended this second meeting (right)

"Volunteers—we need your expertise!"

An appeal was also made in the meeting for willing volunteers; those people who have skills that might be of benefit to the sub-committee (eg business acumen, administration, retail, planning, architecture, grant applications), to come forward and be available to assist the central team where necessary.

In the meantime, the sub committee, which has recently been boosted by some additional members who have brought in skills in legal, financial and grant management, will continue to lead the project.

The next steps will be to obtain grant support for a full, professional market valuation for the business, the building and associated accommodation. The CBS is obliged to be guided by and to follow this independent valuation in order to qualify for much of the available grant funding.

Soon after, a survey of village residents and potential customers will take place to find out how people would like to see the shop develop for the future, particularly in the area of what retail services they would like to see provided.

The presenters spoke of a long tradition in Egerton where its residents roll up their sleeves and make things happen in the community and that the idea to acquire and run Egerton Village Stores for the community would rely heavily on that 'can do' spirit.

THE FINANCIAL FACTS

- The Community Benefit Society (CBS) will need to raise approximately £700,000 to buy the building and business and renovate the property
- It is anticipated that a moderate proportion of this amount will be raised from grants
- Non-binding pledges of between £500 and £10,000 are now being sought from investors
- Without a good number of significantly high investors, the project will struggle to get off the ground
- The CBS will pay interest to investors, not dividends
- It won't be possible to trade the shares but it will be possible to sell them back to the Society after an initial period
- Full financial details will be contained in the upcoming prospectus



If just half of the homes in the village would spend just £10 a week in the community store in future, then it would be a viable business," Peter Rawlinson said.

He said that before then, the sub-committee urgently needed to know if there was sufficient support in the village to proceed. He added that there was a clock ticking on securing a viable future for the shop.

For the past months, after being listed by Ashford Borough Council as an Asset of Community Value, there had been an attached moratorium on any sale going ahead, but that suspension comes to an end on June 11th, when the store can be sold on the open market.

If you would like to pledge your non-binding support for the project or to offer some of your time and specialist knowledge to the sub-committee, then please contact :

Financial pledges: Alison Robinson.
alison.robinson@aims.co.uk

(All information will be treated confidentially and will not be shared with other individuals. Your details will be known only to the above accountant working on behalf of the project. This is a preliminary request for information only and does not represent a commitment to invest.)

Volunteers: Heather James
clerk@egertonpc.kentparishes.gov.uk

*** Regular updates will be provided to residents through Egerton Update, Egerton Next Door, regular e-mails and postal mailings and, where necessary, more public meetings.**