



Y VALE

tafarn  
dyffryn  
aeron

## Menter Tafarn y Dyffryn Business Plan

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## **Our vision and values**

*What do we want to see, and what's important to us.*

### **OUR VISION**

To ensure the Vale remains at the heart of the community.

To provide a place for people of all ages to socialise.

To provide a comfortable and welcoming space for use by local organisations.

To hold Welsh events and social evenings.

To support local businesses and form partnerships with local companies and organisations.

To offer drinks and light meals, using local produce.

To secure employment and training opportunities for local people, young and old, and support them to fulfil their potential.

### **OUR VALUES**

We want the Vale to continue to bring benefits to the local community:

- **Culture**
  - A vibrant place to strengthen our cultural identity and heritage
  - A place to meet, share experiences and learn from others
  - A place to promote and support the Welsh language
- **Society**
  - A place to socialise over a pint
  - A meeting place for a wide range of clubs, groups and societies
  - A safe place that's accessible and welcoming to help tackle social isolation in a rural community
- **Economy**
  - Create employment opportunities for local people
  - Create work opportunities for local craftsmen and traders
  - Support local food and drink producers

## **1. Executive summary**

### **1.1 The project**

Menter Tafarn y Dyffryn Limited is the Community Benefit Society formed by local people to secure and safeguard the future of the Vale of Aeron Public House in Ystrad Aeron, Ceredigion and ensure it continues to act as a genuine community hub which benefits the local community. The pub has been for sale for some time and as a lease arrangement has recently ended the pub has now closed, leaving a gaping hole in the local community. There is no other informal meeting space in the locality. Because of this we fear that it is likely that there will be a significant drop in community activity and networking as well as the loss of an important part of the local economy. At a public meeting and through a series of drop-in sessions there was a very strong consensus that buying and redeveloping the Vale as a community venture would stimulate community activity, would help reduce social isolation and improve wellbeing and would also offer economic benefits to the wider area.

Valuable information was collected via a positive response to a questionnaire which had been distributed across the community by different means; the questionnaire asked people what their priorities might be for the pub and whether they might be prepared to financially invest in the venture or support it in other ways. Following further discussions with the current owners an agreement in principle was made to purchase the property, subject to the success of the share offer to finance that purchase. The publication of this Business Plan, together with the accompanying Share Offer, is the next step in the Society's bid to realise a vision which has energised the whole community.

This vision is not simply to reopen a pub which currently stands empty, but to create a genuine, busy community hub, encouraging all age and interest groups to come together by providing a welcoming place to eat, drink and socialise, with room for social and special interest groups to meet and thrive.

Opportunities will be created for volunteering, leading to improved health and democratic participation, and strengthening resilience in the aftermath of the pandemic. The use of, and access to, the Welsh language, a key feature of local community life, will be actively promoted and a proactive approach will be taken to all matters relating to environmental challenges.

### **1.2 Ystrad Aeron, Felinfach and the Aeron Valley**

The villages of Felinfach and Ystrad Aeron stand barely half a mile apart, they are located in the Aeron Valley, some 7 miles inland of Aberaeron, within the ward of Llanfihangel Ystrad and the Senedd and Westminster constituencies of Ceredigion. The Llanfihangel Ystrad ward has a population of 1,430; 63% of the population were born in Wales and 64% speak Welsh.

The villages are relatively well served with a number of shops and businesses, a village hall, several places of worship, a primary school and playing fields. The villages are located on a good bus route which uses the main A482 road through the valley. There are a number of clubs and societies and a strong tradition of community spirit associated with several societies which centred around the former 'Milk Marketing Board' creamery as well as the 'Farmers Co-op' warehouse and Theatr Felinfach and the former college for further education.

With a good range of facilities and its central location, Felinfach and Ystrad Aeron are a natural centre for the surrounding villages in the area, with residents from Cilcennin, Ciliau Aeron, Cribyn, Dihewyd and Talsarn (all located within 3.5 miles) all drawn there for facilities which, unfortunately, have been lost in those individual villages.

### **1.3 Potential customer base**

The Society's primary aim is for 'Y Vale' to serve the needs of the residents of the Aeron Valley and the surrounding areas, while winning a reputation for quality and hospitality which will make it a destination for residents of Ceredigion and beyond. The pub is also well located to serve a thriving tourist market which centres mainly on Ceredigion's coastal towns and villages, amongst them Aberaeron, located only 7 miles away. Cycling and walking also continue to gain in popularity in the area.

The Vale's location at the heart of the Aeron Valley and midway between the towns of Aberaeron and Lampeter, makes it a very central location.

There is little direct competition, with no comparable village pub within 5 miles. This represents a real business opportunity to establish a popular and good quality offering in tune with modern consumer priorities.

### **1.4 Community involvement**

In addition to the commitments made by individual members of the community and their families, letters of support have been obtained from a wide range of local societies, businesses and prominent individuals. Volunteers have offered their services in areas ranging from event organisation to redecorating and from gardening to pulling pints.

The Society intends to place an emphasis on skills development, training and work experience and to work with local agencies active in these areas to maximise opportunities for such benefits.

### **1.5 Refurbishment and reimagining**

Some work is needed to deliver the existing building in an acceptable condition. The existing bar and public rooms are characterful spaces and will be retained with little alteration, however the Society's ambition is to reimagine some parts of the premises in consultation with the local community, using the skills of a local architect to provide the following:

- The bar and dining and social areas inside the building: some improvements and modernization are envisaged, but the intention is to achieve this without losing the current feel of these spaces.
- Rear extension and alterations to ensure accessible access and improved toilet facilities etc, and possibly to relocate the existing kitchen to create better cooking facilities.
- Renovation of the 'Old Stable' space, either to create a utility room that might be used by private societies and events, or could alternatively be used to create holiday let accommodation for visitors.

- Undertake necessary improvements to existing structures, including improvements to heating and electricity systems etc.
- Improvements to the current standard of fabric insulation and other measures that will reduce the carbon footprint and ensure the sustainability of the enterprise into the future.
- Create an attractive family-friendly beer garden, with an outside kitchen and possibly a small performance space for live summer music.
- Redesigned and tarmaced parking space, with disabled space and possibly a charging point for electric cars as well as an area for parking cycles.

### **1.6 Project costs and funding**

The purchase of the building and associated costs such as legal fees and taxes will be circa £310,000. The purchase includes fixtures and fittings, but no stock. Some start-up costs are also envisaged and as such we have set a minimum target of £330,000 to be raised specifically from the Share Offer and initial fundraising efforts.

It is currently estimated that funding the development programme will cost a further £300,000 (over and above the cost of purchase).

This Business Plan forms the basis of the Share Offer by which members of the community and the wider public are now invited to participate in and support Menter Tafarn y Dyffryn.

Our current target for funding from all sources is £600,000. We know that a substantial proportion of this amount will need to be raised from grant funding and we are confident that the plan for Menter Tafarn y Dyffryn meets the criteria of a number of currently active grant programmes.

The financial plan for the business is based on income from the sale of food and drink as well as a nominal amount of income from the rental of the existing first floor flat (c£400 pcm). Turnover and profit have been modelled in detail and draw on comparisons from various sources, including industry standards, discussions with similar establishments elsewhere in Wales and historic trading figures for the business. Staffing costs will be tightly controlled while a clear trading pattern is being established.

A longer term and aspirational aspect of the project is the proposed grant-funded appointment of a Development Officer to oversee delivery of the Society's wider objective of maximising participation, skills development and volunteering; however that aspiration is not included within the Business Plan at this juncture and is an aspect of the project which would be dependent on the provision of adequate grant support.

The plan forecasts figures as follows conservative figures for the first few years of trading (net of depreciation) a loss in Yr 1 of c£12,000, turning to profit of c£2,000 in Yr 2 and c£5,000 in Yr 3.

### **1.7 Marketing**

From the outset, the Society will be able to take advantage of considerable professional marketing expertise from members. An extensive range of social and traditional media - both paid-for and free, direct and interactive, and aimed at specific target audiences - will be used to ensure that relevant and credible messages relating to what 'Y Vale' has to offer. Our aim will be to continually reach the attention of potential users, so as to create and retain awareness and so as to build a customer base which will generate recurring business for many years to come. Custom-designed merchandise will both raise funds and spread the Vale's message far and wide.

### **1.8 The Society itself**

The community has adopted the model of a Community Benefit Society as being that which is most in keeping with the spirit which has brought the venture into being. Model Rules have been adopted and an Initial Steering Group of thirteen is in place; in time it is envisaged that they will be supported by a number of voluntary sub-committees responsible for different areas of activity.

Membership is by purchase of minimum £200 shares and voting at General Meetings will be on a 'one-member one vote' basis.

An application has been made for HMRC Advance Assurance of the Share Offer to ensure that investments in the Society's Shares will qualify for Social Investment Tax Relief (SITR).

### **1.9 Timetable**

The Share Offer opens on 6<sup>th</sup> November 2021 and will close on 12<sup>th</sup> December 2021. Our aim is to reopen the pub in its existing form as early as we can in the Spring of 2022. Grant applications, design and planning applications will follow, prior to adoption of final plans, tendering, and appointment of contractors. It is envisaged that work on site will take place from Autumn 2022, for around six months, leading to the full Business Plan being implemented in the Summer of 2023.



## **2. Introduction**

### **2.1 Background**

Having been owned and run by Rowland and Daphne Evans for many years, the Vale of Aeron has been for sale for quite some time, and the current lease recently ended. The asking price for the property, as noted in estate agents details, was £325,000.

Concerned about the future of the pub and the fact that it might close, a small group came together during the summer of 2021 to see if a co-operative could be formed to buy the pub, and run it as a community venture. The group grew from two to four, four into eight, and eight to thirteen, and in recent months they have been exploring the possibilities of forming a co-op, drawing inspiration from other similar initiatives across Wales.

With support from the Wales Co-operative Centre, Menter Tafarn y Dyffryn was registered as a Community Benefit Society in August 2021. The Financial Conducts Authority registration number is 8698.

A local surveyor was asked for his opinion on the value of the property and, given the fact that some renovation work is required on the property, he stated that, in his opinion, the property's value is between £290,000 and £320,000.

On 25 August, representatives from various local organisations and societies came together to share ideas and discuss the potential of the Vale of Aeron as a community-owned pub. This was followed-up with a questionnaire which generated 82 responses, and a number of drop-in sessions were also held in various locations across Dyffryn Aeron to share information and answer queries about the initiative.

The feedback received during these engagement activities showed that there is considerable support for the initiative within the local community. Of those who responded to the questionnaire 82% noted that they thought it was 'most important' for the Vale to remain as a pub that also acts as a local community hub and 78% noted that they were interested in buying shares.

Following the positive response, the Society made an initial offer of £280,000 to purchase the pub, on condition of meeting the financial target as set out in the share offer. That initial offer was rejected and following some negotiation a subsequent offer of £297,500 was accepted in principle. The Evans family have been supportive of the concept of community ownership since the Society first approached them earlier this year and the Society would like to thank them for their support and patience throughout the process.

### **2.2 The need for this project**

Whilst Ystrad Aeron and Felinfach are served with some good facilities there is no meeting place to bring people together to interact on an informal, social level. We believe that as a consequence that social groups and societies are more likely to cease and also that this will impact on the community's ability to arrange activities, to bring people together and to promote the formation of new community groups.

Dyffryn Aeron has higher than average (Ceredigion and Wales) number of older people, many of whom live alone. This augments the need for further facilities to support members of the community, especially the most vulnerable and at risk of social isolation. The development would ensure a facility which meets the needs of the whole community and which would benefit individuals that may feel lonely and isolated at home, the retired seeking opportunities to remain active, new residents who want to meet their neighbours and carers who might have no other way of meeting people.

Community pubs have provided lifeline services and activities to support local people in need during the pandemic. Community pubs are so often more than a pub, they are uniquely rooted in community needs. This special connection with the community is what makes community pubs such valuable and unique assets – and what also gives them increased financial resilience.

A report by CAMRA (2016), 'Friends on Tap – The Role of Pubs at the Heart of the Community', refers to the positive effects of pubs on health and wellbeing and the lifeline that they can be for many community members:

*“There has been a growing recognition over the past decade that the single most important factor determining health, wellbeing and survival is the size and quality of our personal social networks. The more people you know, and the more often you see them, the better you feel and the healthier you are...*

*Pubs allow us to mix and meet a wider range of community members, and hence interact with a greater diversity of social classes and cultures, than would otherwise be the case if our social world is confined to work and home. Being more engaged with your local community and being involved more frequently in conversations with other individuals can have substantial benefits by reducing loneliness, which in turn is likely to have significant health and wellbeing benefits. Happy people and those who are embedded in large, well-integrated social networks are sick less often...*

*Directly and indirectly, pubs as venues for social communities are likely to yield significant savings on health care budgets. In this context, pubs serve an important hub function, by providing a venue at which people can meet. With the exception of places of worship, few venues in the contemporary world provide an open environment for meeting new people, especially for older age groups. For incomers to a neighbourhood and those whose turn of life has left them socially isolated, becoming a 'regular' at a community pub can become a gateway for meeting new friends – and, through this, a lifeline.”*

It is more important than ever to invest in community facilities to assist and support people with their recovery from the pandemic. Community hubs will play a critical role in supporting our long, slow recovery; the value that comes from providing a place that local residents feel they collectively 'own' is immeasurable and provides a springboard for wider engagement. It is generally accepted that community hubs lead to thriving networks of volunteers, improved health and wellbeing, increased democratic engagement, and communities with the resilience to cope with the current emergency, and those who may follow in the future.

## **2.3 Wider context**

By adopting this community project, Menter Tafarn y Dyffryn is responding to national legislation and local priorities on sustainability and well-being.

The Well-being of Future Generations (Wales) Act 2015 aims to improve the economic, social, environmental and cultural well-being of the people of Wales. The Act highlights seven well-being goals and five ways of working in order to give public bodies a statutory framework to ensure that all decisions are made collaboratively and inclusively, having regard to the long-term needs of the community. The purpose of the Act is to ensure that public bodies not only meet the existing needs of their communities but also that the decisions of today do not harm future generations. The aim is to make a real difference to the lives of residents.

The Social Services and Well-being (Wales) Act 2014 vision is to maximise people's independence, connect people with their communities and reduce or postpone people's dependency on intervention by social care and health services. It emphasises that local authorities need to be innovative in their approach to preventative services, making best use of resources, achieving value for money, and pro-actively engaging with communities, the third sector, social enterprises and other providers to meet identified needs within communities, and to promote people's health and wellbeing so as to delay or prevent the need for statutory care.

The Menter Tafarn y Dyffryn project fits well with the objectives of the above Acts. Furthermore, throughout this project Menter Tafarn y Dyffryn will adopt the spirit of the national legislation on sustainability and alongside Ceredigion County Council to fulfil our mutual aims as set out in the Ceredigion Local Well-being Plan.

## **2.4 Document status**

This high-level business plan presents our vision for Menter Tafarn y Dyffryn and outlines how we intend to develop and run the venture, ensuring its future viability and that it achieves our social mission. The business plan will also support our grant applications (Appendix 1 outlines some of the grant funds for which we may be eligible) which will be developed in partnership with a consultant appointed by (and paid for) by the Cynnal Y Cardi LEADER project, which has received funding through the Wales Rural Development Programme 2014-2020 (RDP), which is funded by the European Agricultural Fund for Rural Development and the Welsh Government

This document has been developed by the Menter Tafarn y Dyffryn Steering Group and subgroups.

External review and advice has been provided by the following:

- Wales Cooperative Centre
- Cynnal y Cardi (Ceredigion County Council)

The business plan was formally adopted by the Menter Tafarn y Dyffryn Steering Group on 20<sup>th</sup> October 2021. We recognise that this business plan will evolve, and we will develop a

more detailed plan once architectural plans and cost estimates have been developed and finalised for the building.

### **3. About Ystrad Aeron, Felinfach and Dyffryn Aeron**

#### **3.1 General demographic information**

##### **3.1.1 The population**

Ystrad Aeron and Felinfach are neighbouring villages within the ward of Llanfihangel Ystrad. Dyffryn Aeron (the Aeron Valley) is made up of the Llanfihangel Ward and nearby wards of Aberaeron, Henfynyw, Ciliau Aeron, Dyffryn Arth, Nantcwnlle and Llangeitho.

The ward has a population of 1430, living in 621 households. The percentage of those born in Wales was 63% and 64% could speak Welsh.

Within the wider community of Dyffryn Aeron, the population is noted as being 7,623, living in 3,412 households. The percentage of those born in Wales was 58% and 57% could speak Welsh. This compares to 19% across Wales.

The 2001 to 2011 census figures for age profiling recorded a significant drop of -5% in those of the ages of 25-59 (compared to -2% Wales wide), and an increase of +7% in those aged over 60 (compared to +2% Wales wide). This supports broader anecdotal evidence of migration of those of working ages and immigration of those of retirements age. Figures from 2017 noted 23% of those of working age as retired, whereas the Wales average was 16%.

A high percentage of the local population work in agriculture (10%, compared to the Wales average 2%), with 7% in manufacturing (Wales 11%) - many of those working in the local factories such as Sensient and Volac International, both large local employers, based on the site of the former Milk Marketing Board creamery.

The locality has a very high proportion of those who are self-employed – at 19%, against the 9% Wales average – many of whom work in agriculture or construction. The figure of 2% unemployed is relatively low (4% Wales).

Average median gross weekly earning in 2020 was £451.50 with the Wales average being £537.80. Average house price in Wales £178,907 (January 2021) whilst in Ceredigion the average price is £200,147 (up 8.5% in the year from January 2020). This makes Ceredigion the county with the lowest average median gross weekly earnings in Wales, but the 6<sup>th</sup> most expensive unitary authority to buy a house.

According to the Welsh Index of Multiple Deprivation, the area of Llanfihangel Ystrad is within the top 10% (ranked 51 out of 1,909) of areas within Wales with the worst access to services. This is despite the fact that locally Felinfach is seen as one of the villages with the best access to day to day services.

According to the 2011 Census, the number of 3+ year olds who could speak Welsh within the ward was 81%. This compares to 65% in Ceredigion and 19% in Wales.

*Note: statistics are compiled from a number of sources, including The National Survey for Wales, the Office for National Statistics and the Gweithgor Dyffryn Aeron 'Pweru'r Dyffryn' Report (2017).*

### **3.1.2 Facilities and assets**

There are some good existing facilities in Ystrad Aeron and Felinfach:

- Ysgol Felinfach School – a relatively small space used only for some school-based events and only very occasionally by other societies.
- Felinfach Playing Fields – small park area, seniors playing field and changing rooms.
- Eglwys Llanfinhagel Ystrad Church – the Church is impractical as a meeting space, although it has a small vestry (with no parking).
- Capel Ty'n y Gwndwn – nonconformist chapel with a small vestry, it is located half a mile from the village. The chapel is impractical as a meeting space.
- Neuadd Goffa Felinfach Memorial Hall – unlicensed village hall located in between Felinfach and Ystrad Aeron, providing a large space for concerts/functions and a smaller meeting room. It is used on a regular basis by, amongst others, the local YFC and Merched y Wawr groups.
- Theatr Felinfach – a is a small regional theatre located about a mile outside the village of Ystrad Aeron. Built in 1972 (by converting a former agricultural workshop) the Ceredigion County Council owned and operated theatre has staged performances by drama, music and dance groups from across Britain but is best known for the innumerable community productions and functions which it stages. It serves the wider county of Ceredigion and especially the rural, Welsh speaking communities. The Theatr is a licenced venue although in reality it is only on occasion that the 'pop-up' bar is utilised.

There is also a village post office/shop as well as a petrol station/garage and convenience store and a farmers' co-operative warehouse; however, currently there are no cafes, restaurants or take-aways, although there is a former pub which has been open from time to time, as a take-away chip shop and occasionally as a restaurant.

Public transport is generally good, with regular daytime services almost every hour from 7.30am to 7.30pm, linking to Aberaeron and Aberystwyth on the coast and to Lampeter and Carmarthen inland to the south; however there no services outside those times and fewer services at weekends.

### **3.1.3 Existing community groups**

As there are good community meeting spaces and facilities there are a good number of clubs and societies which bring the community together. Those existing groups include the Merched y Wawr, Adran yr Urdd, Football Club, Young Farmers Club and, until recently, the Vale's own Pool and Darts Teams. There is evidence to suggest that there would be strong support for even further groups, especially in the areas of history, Welsh language lessons, poetry and literature groups and basic training and support in IT use for the older generation.

Opportunities for young people to socialise and to participate in the area is limited with young people being drawn to Aberaeron or Lampeter or even further afield to Aberystwyth (20 miles away) for their socialising, however the lack of public transport in the area means that young

people cannot get there and back independently, increasing the risk of isolation and loneliness for this age group.

### **3.2 Our history and heritage**

'Aeron', translated into English means 'berries' suggesting the fruitfulness of the Aeron valley; however, despite its picturesque serenity the valley and river are named after the Celtic Goddess of War.

With a rich tradition of dairy farms Felinfach was, through the second half of the twentieth century, home to a large creamery which was an important employer locally. Many farm names include the Welsh word for 'white' or 'milk' (such as Llaethliw – which literally translates as 'the colour of milk'). It may well have been these names inspired Dylan Thomas (who, having lived at nearby Talsarn for a while, knew the area and its pubs very well) to call his most famous play 'Under Milk Wood'? He also named his daughter Aeronwy.

The valley is renowned for its numerous small mansions; these include the National Trust owned Llanerchaeron House with its farm and outbuildings being a model of self-sufficiency in terms of produce, from stock and fish through to cereals and the production of dairy produce and brewing of beer. Self-sufficiency and independence is something of a local trait, with the area being set within the Y Smotyn Du (The Black Spot), a region of Ceredigion infamous for its staunch Unitarianism and Religious Nonconformity.

There is a very fine tradition of co-operative working and of nurturing community projects within this community, stretching back to the 1920's and 1930's when there was a significant amount of activity involve with ventures such as the construction of village Memorial Halls and the formation of the local Farmer's Co-operative (a branch of which is still located within the village today).

In the 1970's the Local Authority redeveloped a workshop building (originally built to service agricultural machinery for the war effort) into what became Theatr Felinfach. Land adjacent was gifted by a local farmer, Mr Simon Davies, Greengrove for the development of a College of Further Education (to concentrate on agriculture and rural skills); before that in the 1950's he had gifted 18 acres of land to the Milk Marketing Board who erected a state of the art creamery within the valley.

Cwmni Cydweithredol Troed-y-rhiw is a locally based co-operative company, created in 2005, which offers support to the creation of Welsh language theatre and drama, concentrating its efforts on supporting local communities by partnering with them and supporting them through the creative process.

The much loved and respected Theatr Felinfach is a venue which has stages performances by professional drama, music and dance groups from across Europe, but is best known for the innumerable community productions which it stages, including its famous annual and very unique Welsh language pantomimes. It serves the wider county of Ceredigion and especially the rural, Welsh speaking communities. This is the very same community and culture that 'Y Vale' has welcomed for generations and which, through this project, we hope to continue to welcome and engender for generations to come.

### **3.3 Potential customer base**

The main all-year customer base for 'Y Vale' will be the local residents of Ystrad Aeron and Felinfach and the Aeron Valley. The aim is to create a community facility that will encourage local use, and the service offer within the building will reflect that.

Theatr Felinfach, located half a mile down the Valley, is the spiritual home of many local and county-wide societies; these include the Ceredigion Young Farmers Federation who (pre-pandemic) use the Theatr campus for monthly meetings and several annual competitions. 'Y Vale' is used to welcoming committee-goers and competitors from the YFC as well as theatre-goers and performers keen for an after-performance social drink.

Likewise, 'Y Vale' is the social home of the local football club, Felinfach AFC. The 'Milkmen' have two senior sides who play in the South Ceredigion League and also have a successful senior ladies side as well as a thriving juniors section include U6, U8, U10, U12, U14 & U16 teams.

There is also a much broader visitor market that we can tap into during certain parts of the year. Dyffryn Aeron is well located to serve a tourist market which centres mainly on Ceredigion's coastal towns and villages, amongst them Aberaeron, located only 7 miles away.

Cycling and walking are gaining in popularity in the area. Felinfach and Ystrad Aeron's location within the beautiful Aeron Valley, midway between the towns of Aberaeron and Lampeter ensures these villages are a natural base.

It is worth noting that there are several small Camping and Caravan Sites in the locality (none of which offer their own 'clubhouse' facilities). These include the small family run 'Hafod Brynog' site (of 30 pitches) which is within a 200m walk of the Vale, which has over the years been a popular dining venue and watering hole for campers and caravaners.

### **3.4 The competition**

There is little direct competition, with no comparable village pub within 5 miles, although the nearby Brynog Arms (currently closed, last open approximately 3 years ago) remains vacant. This represents a real business opportunity to establish a high-quality but popular offering which is in tune with modern consumer priorities.

Existing local facilities:

To the North and Northwest:

- Tyglyn Aeron (3 miles) – a Country Hotel with a large function room for up to 200 guests and a smaller bar area. Predominantly a wedding venue and location for larger functions. Currently for sale.
- Llanerchaeron National Trust (5 miles) – historic house with a popular cafe.
- Aberaeron (7 miles) – numerous pubs and restaurants, serving the local community and visitors.
- Rhos yr Hafod, Cross Inn (7 miles) – traditional pub, no food.



- The Hungry Ram, Bethania (10 miles) – restaurant.

To the East:

- The Three Horseshoes, Llangeitho (7.5 miles) – traditional village pub with simple food.

To the South:

- Lampeter (6 miles) – numerous pubs and restaurants, serving the local and a small student community

- The Grannell, Llanwnnen (6.5 miles) – traditional village pub with food

To the West:

- The Gilfach, Mydroilyn (5 miles) – traditional pub, currently no food.
- Cefn Hafod, Gorsgoch (7.5 miles) – traditional pub with food.

## **4. Community involvement and partnership working**

### **4.1 Community and stakeholder engagement**

#### **4.1.1 Meetings and engagement sessions**

An initial public meeting was arranged for 25<sup>th</sup> August 2021 to gain people's views about the idea of purchasing and running 'Y Vale' as a community venture. Due to concerns with the ongoing pandemic, rather than calling an initial public meeting, where it would have been impossible to control the number of people who may turn out, it was decided to invite local clubs and societies to send a representative. 35 societies from around Dyffryn Aeron were invited and there was an overwhelming turnout, with representatives from 30 of those societies joining the meeting. We discussed co-operatives and what 'Y Vale' meant to those present and their societies, and outlined how this type of scheme might work. The general consensus was that people were in support of this proposal and were keen to proceed with the idea.

Again, in order to avoid large congregation, but to ensure that the whole community had access to information, a 'drop-in' open day was arranged for the 25<sup>th</sup> September 2021, where a roadshow was taken to a different location at each of the main villages which surround the Vale. The purpose was to update people on the process of purchasing the building, to outline the ongoing process and timescale and to glean ideas and listen to suggestions. Again, there was overwhelming support for the proposals in principle with each of the 40 or so who joined the roadshow interested in buying shares and many offering to support the venture on a voluntary/practical level.

#### **4.1.2 Community questionnaire**

On 25<sup>th</sup> August, we launched a questionnaire to gather people's ideas and suggestions. A total of 82 responded. The key findings include:

- There was very strong support for the idea, with 82% of respondents classing the community purchase of the Vale as 'most important'
- 44% said they would use the facilities 'at least once a week' and a further 32% said they would use the facilities 'at least once a month'.
- The most popular additional services and facilities included: selling local produce, live music, family friendly beer garden, daytime tea and coffee.
- The most popular additional ideas offered included: outdoor performance space, community facilities and pop-up dining facilities.
- Over 78% of respondents noted that they would be interested in buying shares.

A copy of the full report can be made available on request.

#### **4.1.3 Stakeholder and partner engagement**

Discussions have been held with some key stakeholders and partners, who are in full support of this development. These include:

- Statutory organisations
- Third sector organisations
- Local primary schools
- Local societies and community groups
- Local businesses
- Elected Members

Examples of some support letters are available to view in the Appendices.

#### **4.2 Getting a wider range of people involved and partnership working**

There is much community support for this project and we have support from the wider area from stakeholders, societies and businesses. (See examples of support letters in the Appendices.)

There will be a range of opportunities to volunteer and be part of this project at every stage. Maintaining our social mission, our responsibility to the shareholders and wider community is an important factor governing the success of this project.

Through our initial community engagement a number have noted they would be interested in volunteering - to develop the building and to help run the venture. We intend to provide volunteering opportunities at every stage, examples of volunteering opportunities include the following:

- Project development stage – steering group and sub-groups, clearing site, painting, decorating, gardening and landscaping, interior design, menu design
- Running the business - helping in the kitchen and behind the bar, serving, cleaning, general maintenance
- Promotion of social activity - arranging community events and activities of all kinds to increase participation, opportunities for socialising and to get more people involved

We also recognise that the project will create many job opportunities and are eager to maximise the social and economic benefits of this project.

We will also work with local partners to maximise the benefits of this project for all and to ensure that we reach a wider range of people. We already have support from a number of organisations and will seek to open discussions with various other partners:

**Ceredigion Association of Voluntary Organisations (CAVO)**

We will work with the association to ensure appropriate training for our volunteers and to promote volunteering opportunities to the wider community.

### **Hyfforddiant Ceredigion (Ceredigion Council) and Coleg Ceredigion**

We will work with both Hyfforddiant Ceredigion and Coleg Ceredigion who will liaise with DWP, Working Wales, training and education providers on our behalf to promote opportunities for skills development, training and work experience.

### **Theatr Felinfach**

Initial discussions have taken place with Theatr Felinfach with respect the potential of forming a partnership whereby the Vale would be able to provide alternative/additional venue for music and comedy events (possibly as part of a joint festival) and we would also seek to work on potential catering/bar sales opportunities.

### **Ceredigion Library Service**

Interest has been shown in using the Vale as a library collection point, ensuring that the service reaches a wider audience and is more accessible.

### **Aberaeron Food Bank**

We will work with the food bank to reduce food waste and to help people in need.

### **Felinfach, Ciliau Parc and Dihewyd Schools**

We will work with the local primary schools and the parent teachers association to ensure that local children are involved in the development of the Vale. This could include a presentation to the school children about the development and their input into the development of a children's menu, a suitable space and proposed activities for children and families.

### **Cered (Welsh Language initiative for Ceredigion)**

We will work with Cered at every opportunity to support our joint goals to:

- raise awareness generally of the value of the Welsh language
- raise the confidence and the proficiency of Welsh speakers
- facilitate opportunities to use the Welsh language and promote the use of the language
- promote the status of the Welsh language
- provide information, advice and guidance

## **5. Refurbishment and remodelling**

### **5.1 Current Condition**

A building condition survey was completed in September 2021 which identified that whilst the building is in reasonable condition that considerable work was needed to safeguard and refurbish the current building.

### **5.2 Developing and remodelling to meet needs**

Based on what the community and stakeholders have already told us, we wish to develop the following facilities at the Vale:

- Maintain as a traditional local Welsh pub.
- Provision of quality Welsh food and drinks during the daytime and evening – using local produce.
- The potential of a multi-purpose and accessible room as an overflow space for the restaurant and for use with small functions, celebrations, community activity, meetings and courses. It should be made clear that it is clearly not the intention that this space should ‘compete’ with local halls, but rather offer facilities which cannot be provided in those existing community spaces.
- A range of community activities for all ages.
- Appropriate storage and office space for staff.
- Accessible access and additional toilet facilities.
- Family friendly areas.
- A welcoming and usable garden space, including the potential of an external performance space.

To do this, we recognise that the current building is not fit for purpose and will require extensive upgrade, development works and possible remodelling. We intend to explore our options with a local architect. We will ensure that we adopt ethical procurement practices for any works we commission.

### **5.3 Covid-19 restrictions**

The development and remodelling of the Vale will consider the implications of Covid-19 and its potential impact on the running of the business. We will ensure that the outside space is developed to maximise its usability. It could include facilities such as:

- an outside kitchen - pizza oven, barbecue
- an outside portable bar area
- attractive and spaced-out seating area, with consideration for weatherproof options (e.g. individual pods, canopy, gazebo, or parasols).

We will also ensure that if possible the layout of the dining space takes into account possible future restrictions. We anticipate that the pub will reopen in 2022 and we will monitor the potential impact of Covid-19 as we develop our plans and will respond accordingly.

#### 5.4 Reducing our environmental impact

Menter Tafarn y Dyffryn believes in the importance of protecting the environment and society for future generations and is committed to the use of sustainable resources. These principles will be embodied into our activities and are essential to achieving our vision to develop 'Y Vale' as a community hub, a sustainable business and multipurpose facility which meets the needs of the whole community, whilst also safeguarding the pub itself at the core of the proposal.

We will adhere to the Sustainable Development Principles by:

- thinking and planning for the future
- preventing problems before they occur
- integrating our services, skills, planning and responsibilities
- involving our customers, colleagues, volunteers and the community in our decision making
- working with other organizations to ensure everyone's well-being

As part of our environmental commitment, we will seek to refurbish the Vale as a carbon net zero project. Reclaimed and upcycled materials will be prioritised to fulfil this aim, and the surplus carbon will be offset by local tree planting.

We will be seeking expert advice to ensure we follow best environmental practices and will incorporate the recommendations made into our development. We will develop an environmental policy and eco-code that will be followed and monitored by management and the Steering Group. We envisage the policies will include the following recommendations:

#### PROPOSED ENVIRONMENTAL IMPROVEMENTS

Building Element		Recommendation
1	Lighting	<ul style="list-style-type: none"> <li>● Convert to full LED lighting</li> </ul>
2	Lighting Controls	<ul style="list-style-type: none"> <li>● Install automatic lighting controls in infrequently used areas</li> </ul>
3	Heating System	<ul style="list-style-type: none"> <li>● Consider Heat Pump heating system</li> </ul>
4	Heating Controls	<ul style="list-style-type: none"> <li>● Thermostatic Radiator Valves (TRVs) on all radiators</li> <li>● Zoning within the building</li> <li>● Digistat/smart thermostat</li> <li>● Weather compensation controls</li> </ul>

5	Heating Pipework	<ul style="list-style-type: none"> <li>• Insulate all pipework - even within heated spaces</li> </ul>
6	Fabric: Walls	<ul style="list-style-type: none"> <li>• Insulate beyond current regulations to future proof the building - external or internally insulate all walls</li> </ul>
7	Fabric: Roof	<ul style="list-style-type: none"> <li>• Where practicable introduce additional loft insulation</li> </ul>
8	Fabric: Windows & Doors	<ul style="list-style-type: none"> <li>• Install double glazing or secondary glazing</li> <li>• Draughtproof all windows, external doors &amp; doors leading to unheated spaces</li> </ul>
9	Cellar & Cellar Cooling	<ul style="list-style-type: none"> <li>• Implement ambient cooling system</li> <li>• Ensure cellar doors and walls are adequately insulated and draught proofed.</li> </ul>
10	Catering & Refrigeration	<ul style="list-style-type: none"> <li>• Induction hobs &amp; catering appliances to be A rated.</li> <li>• Refrigeration to be A rated with timers used to ensure energy use is minimised</li> </ul>
11	Electrical Equipment	<ul style="list-style-type: none"> <li>• HRV (Heat recovery ventilation) to ensure humidity is managed</li> <li>• Install power-saving functions &amp; one-click panels</li> </ul>
12	Bar Equipment	<ul style="list-style-type: none"> <li>• Install 7-day timers or 'Smart' controls to draught drinks coolers</li> <li>• Fit drinks fridges with 7-day timers</li> </ul>
13	Renewable Generation	<ul style="list-style-type: none"> <li>• Solar PV system should be investigated via a detailed solar site and feasibility survey</li> </ul>
14	Water Efficiency	<ul style="list-style-type: none"> <li>• Dual-flush toilets with small cistern</li> <li>• Motion sensor urinal controls, preferably waterless</li> <li>• Aerating taps (non-concussive)</li> <li>• Rainwater collection for watering beer garden etc</li> </ul>
15	Electric Charging Points	<ul style="list-style-type: none"> <li>• Install Electric Vehicle Charging Point</li> </ul>
16	Recycling Bins	<ul style="list-style-type: none"> <li>• Provide adequate recycling facilities</li> </ul>
17	Bicycle Store & Charging	<ul style="list-style-type: none"> <li>• Provide safe cycling store and cycle battery charging facilities</li> </ul>

## **6. Project costs and timescales**

### **6.1 How we will fund the purchase of the building**

The sale price of £297.5k has been agreed and we anticipate the total of the sale and associated costs (legal fees and taxes) to be around £310k.

The purchase will be funded in the first instance from the sale of community shares as a result of the Share Offer. If there is a significant shortfall then the project may need to be reconsidered, but if the shortfall is small then a decision to proceed could be made where the balance of the purchase price could be met via grants and other fund-raising activities including long-term loans such as WCVA/Funding Wales mortgage.

### **6.2 Overall project costs and funding**

We will appoint a local architect with experience of hospitality and catering projects to develop design proposals for the refurbishment and upgrade works. Depending on the final plans agreed, we anticipate these costs to be around £300k. These costs will be financed through fundraising activity and grant funding.

The evidence is that the project will be eligible for grant funding on a number of grounds: principally, those of social need and well-being, community engagement and the employment opportunities. Several potential funds appear to be available to meet the likely needs which have previously been made available to similar projects and we will be supported by a consultant appointed by Cynnal y Cardi (Ceredigion County Council) to support us in seeking out and applying for grant support.

Appendix 1 outlines possible grant finance available for this project. The sale of Community Shares will be both a key component of the funding of the project and an important indicator of community support and of the demand for the facilities the redevelopment will provide. The minimum target set for the initial Share Offer is £330,000, thus achieving a sum which is sufficient to purchase the property and pay associated legal fees and also provide a sum for start-up costs and some working capital.

At this juncture we believe it wise to illustrate the multiple possible sources of funding in the form given in the table below, which appears to generate over-funding. As different elements become confirmed (in particular the amount raised by sale of community shares, the availability (or otherwise) of grants aid and, of course, the project costs), the balance between these components will become clearer. The possible arrangement of long-term loans from supporters or from the commercial market could provide the means to balance the costs / funding equation if necessary, however, in principle the need to consider loans would be the least favoured option in proceeding with the project and the terms on which they will be offered and factoring in of repayments would need to be carefully considered prior once the development costs become clearer.



## OUTLINE FUNDING & EXPENDITURE MODEL

<b>FUNDING</b>	<b>£</b>
Money raised from Public Share Offer	350,000
Donations	5,000
Fundraising / Merchandise	5,000
National Lottery Community Fund 100-500k	100,000
Welsh Government – Community Facilities Programme 25k to 250k	150,000
UK Government Community Ownership Fund 250k match funded	250,000
Various Small/Local Grants	20,000
Outline Model Funding	880,000
<b>TOTAL INCOME</b>	<b>880,000</b>
<b>EXPENDITURE</b>	<b>£</b>
Purchase of Premises (inc. fees etc.)	310,000
Start Up Costs	20,000
Design Team Fees (including ecology/bat surveys etc)	15,000
Repairs and Refurbishment Costs	130,000
New Development Costs	60,000
Furniture & Equipment	20,000
Contingency	25,000
Working Capital	20,000
<b>TOTAL EXPENDITURE</b>	<b>600,000</b>
<b>RESERVE (surplus)</b>	<b>280,000</b>

### 6.3 Fall-back plan

The Business Plan as described here assumes that our efforts to raise sufficient funding from a range of sources are successful.

If they are not, the plan will be scaled back, and individual parts of the development will be shelved or postponed until such time that funding becomes available. At an appropriate point, and before major expenditure is incurred, (above and beyond the actual purchase of the premises), a finalised plan, based on funding which has been secured, will be put to the members for approval.

## 6.4 Timeline

We estimate the timeline for this project to be as follows:

	Stage	Date
1	Inception	Jun-21
2	Establish Steering Group	Jul-21
3	Initial Public Consultation & Launch of Community Questionnaire	Aug-21
4	Valuation and Condition Survey	Aug-21
5	Establish & Register Community Benefits Society	Aug-21
6	Develop Business Plan	Sep-21
7	Develop Share Offer	Sep-21
8	Further Public Consultation Event	Sep-21
9	Open Bank Account	Sep-21
10	Submit Offer	Oct-21
11	Launch Business Plan & Share Offer	Nov-21
12	Start Fundraising	Nov-21
13	Investigate & Develop Grant Funding Opportunities	Nov-21
14	Close Share Offer	Dec-21
15	Commence Conveyancing Process & Complete Purchase	Jan-22
16	Commission Architect & Quantity Surveyor to develop options and costs	Feb-22
17	Develop Job Descriptions, Seek & Appoint Staff	Feb-22
18	Re-Open (operating as per existing set-up)	Mar-22
19	Public Consultation to Discuss Design Proposals	Apr-22
20	Develop Final Design Proposals	Apr-22
21	Amend Business Plan and Operational Arrangements to Reflect Final Scheme	May-22
22	Present Grant Applications for Capital and Revenue Funds	May-22
23	Submit Applications for any Statutory Consents as Required (planning & building regulations)	Jun-22
24	Invite Tenders for Capital Works	Jul-22
25	Prepare Business for 'Interim Service' (limited during capital works)	Sep-22
26	Commence Capital Works on Site	Oct-22
27	Complete Capital Works	Apr-23
28	Re-Launch of the Vale following completion	May-23

## **7. The business proposition**

### **7.1 Business model**

Our core aim is to enrich lives by bringing people together. This means maximising the opportunities and the reasons for coming to 'Y Vale'. Doing so successfully will also be what will enable the venture to succeed as a business.

Our plan is to raise sufficient funding to allow a redevelopment of the existing premises to include the following:

- The bar and dining and social areas inside the building: some improvements and modernization are envisaged, but the intention is to achieve this without losing the current feel of these spaces.
- Rear extension and alterations to ensure accessible access and improved toilet facilities etc, and possibly to relocate the existing kitchen to create better cooking facilities.
- Renovation of the 'Old Stable' space, either to create a room that can be used by private societies and events (or possibly to create visitor accommodation).
- Undertake necessary improvements to existing structures, including improvements to heating and electricity systems etc.
- Improvements to the current standard of fabric insulation and other measures that will reduce the carbon footprint and ensure the sustainability of the enterprise into the future.
- Create an attractive family-friendly beer garden, with an outside kitchen and possibly a small performance space for live summer music.
- Redesigned and tarmaced parking space, with disabled space and a charging point for electric cars as well as an area for parking cycles.

Our potential funding sources include a combination of selling shares, securing grants (see Appendix 1) and other fund-raising activities.

The Business Plan as described here assumes that our efforts to raise sufficient funding from a range of sources are successful. In the event that funding income is minimal, the Steering Group is confident, and has modelled such a scenario, that basic repairs and redecoration of the premises as they stand, undertaken primarily by volunteers and then staffed by them, would allow the pub to reopen. This does not, however, represent the extent of our vision and ambition. It should be viewed purely as an ultimate fall-back plan.

It is worth noting that the purchase of the pub includes a three-bedroom flat which is currently rented at a market rate of c£400 per calendar month. There are several options which might be considered for the flat, including renewing the existing short term agreement, being let to staff or potentially being renovated and let as holiday accommodation.

The three-year financial model, together with cash flow forecasts is to be found in the appendices. Key financial trading forecasts for the first three full years are (£):

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
<b>Income (£)</b>	93,017	108,057	112,229	117,596
<b>Expenditure (£)</b>	105,375	105,940	107,465	107,104
<b>Profit / Loss excl. depreciation (£)</b>	-12,358	2,118	4,764	10,493

## **7.2 Timing**

Year 1 is assumed to commence on 1 March 2023. The full year will be preceded by a 12-month 'phased opening' period during which staff outgoings will be kept to a minimum; this could possibly be done by postponing the appointment of a Manager until trading patterns are well established. This period will also allow a degree of experimentation with opening hours and menus so as to trial user response. It is intended to trade largely 'as normal' through the spring and summer of 2022, to maintain the pub as an open venue and to retain the good will and develop the community owned team ethos. During this time we will work with the architect on the 'redevelopment' scheme with the intention being to undertake actual construction work through the autumn and winter of 2022/23; even then, the intention is that the business would remain open, all be it on a more limited offer.

## **7.3 Key assumptions**

Turnover figures for food and drink have been calculated on the basis of detailed modelling, the components of which are indicated. Comparisons have then been made with (a) the British Beer and Pub Association 2019 Guide, using their 'Rural Pub with Character' model as the reference; and (b) the business models of other community pubs in comparable rural areas provided by the Plunkett Foundation. Advice has also been provided by experts via the Wales Co-operative Centre. Lastly, direct advice with respect to margins, prices, turnover, opening hours and staffing costs have been taken from other established village pubs in Wales, as well as historic trading figures for the Vale itself. Our reviews indicate that our assumptions are reasonable and, if anything, conservative.

## **7.4 Staffing**

Following the 'phased-opening' period, a full-time manager at the rate of c£30,000 (exclusive of oncosts) will be appointed with responsibility for day-to-day oversight of the food and drink operations, and function room bookings. Consideration will be given to payment of a performance related bonus.

The manager will act as line manager for all employees (most of whom will be casual staff) including the kitchen staff, and will have a supervisory role with respect to volunteers. He/she (or they, as this could potentially be a 'job-share' opportunity) will provide monthly reports to the Business Sub-Committee and will account on a day-to-day basis to a named member of the Steering Group who will act as their point of contact. A Business Sub-Committee will discuss these reports and provide summaries and advice to the Steering Group.

The business model provides a detailed hourly breakdown of the other staff required to maintain the services which have been described. For the purposes of this plan, it is assumed that these hours are all provided by paid staff, both permanent and temporary, though the opportunity for volunteering offers the possibility of savings under these headings.

A longer term and aspirational aspect of the project is the proposed grant-funded appointment of a Development Officer to oversee delivery of the Society's wider objective of maximising participation, skills development and volunteering. The Development Officer will also focus on the work of promoting the Welsh language, engaging with the community, arranging regular events and activities, creating links with various stakeholders, communication and marketing and grant application to fund any further development work. The Development Officer role will ensure that the facility reaches its full potential and that the Vale maintains its social mission. This element is not costed within the Business Plan at this juncture and is an aspect of the project which would be dependent on the provision of adequate grant support.

## **7.5 Entertainment**

No expenditure has been set against entertainment costs at this juncture, as such entertainment costs might well be covered by ticket sales, however our core aim of bringing people together would include live music and similar events; an appetite for this has been presented in the findings of the questionnaire.

As described elsewhere, we would seek to develop a working partnership with Theatr Felinfach, whereby the Vale would be able to provide alternative/additional venue for regular music and comedy events (possibly as part of a joint festival).

## **8. Marketing and promotion**

### **8.1 Marketing plan**

Proactive marketing will be essential to the success of the project. As we look to market our product and service, we will be guided by established marketing principles.

We believe the Vale already has a strong character and reputation and can be marketed as a clear brand to its target markets. 'The Place' in terms of a marketing plan is the venue in which the product is distributed, in this instance, the Vale itself. The interior décor and overall image of the building will have an impact on its promotion and we will seek to build on the sense of place which already exists, making the Vale a destination in itself, a place where people want to go for a 'good plate of food' and a 'good night out'.

We intend to concentrate on web-based advertising to communicate product information about the Vale. It could also be in the form of a number of social media campaigns with the existing web presence acting as 'landing pages' for our online marketing.

Printed marketing materials such as brochures and leaflets can also be effective marketing tools for 'Y Vale', mainly as part of an 'in destination' strategy for visitors to the area. We would seek to promote opportunities such as midweek food offers.

General press releases and interesting stories about the Vale will maintain its profile. Articles in the broadcast, printed and online media are a trusted way of communicating with the market. We will build and maintain relationships with various members of the press; this is a basic, but essential way of obtaining coverage. Interesting and entertaining releases will maintain the press interest in the offer available.

The Internet is the most cost-effective marketing method when looking to promote a product to a market some distance away. We have built a website ([www.tafarn.cymru](http://www.tafarn.cymru)) and it is essential that we optimise the website to appear in various search terms, e.g. food or drink in Ystrad Aeron and Felinfach.

The most interactive medium to develop at the moment are the Vale's social media sites, mainly Facebook and Twitter, but also Instagram once we start work on the building and we become operational. These platforms offer brands the opportunity to talk to their customers on a daily basis, to engage with them, to answer their queries. They are, essentially, 'free' marketing tools when used properly.

The people involved in delivering this plan include everyone associated with 'Y Vale' and the Steering Group has a strong mix of expertise and experience, all of which is focused on this particular project and on supporting staff and volunteers in delivering a first class experience to our customers and stakeholders.

Nobody sells a product or service better than someone who has experienced that service, and peer experiences and opinion is something that is increasingly common and powerful within marketing. Our aim would be to utilise these experiences as part of the promotion and to encourage posting of positive reviews on various social media accounts and TripAdvisor.

The transactional process has to be focused on the customer at every point during the sales channel. The website has to be welcoming; the staff need to be welcoming and informed, and our response as an organisation needs to be proactive and supportive.

## **8.2 Marketing the Share Offer**

The general message of this campaign will be to save our pub and to create a community pub. Investors will be targeted mainly via social media and press campaigns across Wales, and further afield via the Community Pub network.

The Share Offer will be promoted using a number of tactics, with a prospectus being created from the outset which will be a shortened and 'punchier' version of the Share Offer. Alongside this will be a number of visual marketing aids such as photographic content and video content to be used on our social media channels.

A number of videos will be created which will include a full version (up to 3 minutes), and a number of shorter versions (up to 30 seconds), with varying messages and demographic profiles.

We have been collecting data of interested parties since setting up the Community Benefit Society's website as there is a subscription function on the site, and therefore we will also implement e-marketing campaigns with the Share Offer. We also intend to recruit 'Y Vale' 'ambassadors' in various parts of Wales, distributing leaflets to those that either don't have access to, or don't use, digital platforms.

We have members of the community who work in the Welsh media and have also established a number of other contacts in the press over the past few months. We will utilise these contacts to ensure a steady stream of press coverage as we implement the campaign.

Whilst we understand that print marketing can be expensive and has a relatively poor impact and return on marketing investment it is also important to recognise that there will be a good proportion of society who do not partake in social media, and so an element of the local advertising associated with the short version of the share offer itself, will be printed and posted to each house within the local postcode.

## 9. Governance

### 9.1 Steering Group

Menter Tafarn y Dyffryn is registered under the law as a society for the benefit of the community (Community Benefit Society) with the Financial Conduct Authority. The Society exists in order to carry on business for the benefit of the community and is committed to:

- trading for the benefit of the community, and not for anyone's private benefit
- retaining profits and applying profit to advance the Society's purpose.

Menter Tafarn y Dyffryn is subject to the Rules of the organisation and the Steering Group will manage the affairs of the Society.

The Initial Steering Group was formed following informal discussions between a small group of people who are active within the community, who decided to come together to initiate the project. This Group consists of 13 people, the members are as follows:

**Iwan Thomas (Secretary)** – Iwan is a man of his local community. He was raised in Dyffryn Aeron and returned after studying architecture in London. His interests include sport and the arts and, amongst other things, he is a local Community Councilor, Chairman of Theatr Gydweithredol Troed-y-rhiw and an active leader of Felinfach YFC. Iwan's parents ran a successful pub and hotel for many years locally, providing him with a huge amount of practical experience!

**Keith Henson (Treasurer)** – Keith has experience of running cultural and sporting organisations and clubs over the years, and is Treasurer of Aberaeron RFC Junior Section. A former Bank Manager and former Head of Commercial Services, he currently works in the housing sector, and is Chairman of Cynnal y Cardi. Keith is proud of the opportunity to be part of an important project that can regenerate the area, and looks forward to seeing the fun continue at the Vale!

**Janice Thomas** – Janice lives in Ciliau with her husband and 3 sons. A Communications Officer for Barcud Housing Association, she previously worked for the National Trust at Llanerchaeron for over 10 years. A Cribyn girl, she was brought up in the family's shop and post office in the heart of village life. She volunteers for Tir Dewi and is a Club Leader with Felinfach YFC. She also helps out on several community Facebook pages in Dyffryn Aeron.

**Dwynwen Llywelyn** – Dwynwen is originally from Tregaron but has lived in Dyffryn Aeron for many years. She is an Experienced Community Arts Practitioner and is Head of Theatr Felinfach, leading on a number of community projects.

**Owen Llywelyn** – Owen was brought up in Felinfach and lives in Dyffryn Aeron. Having been a teacher and a county councillor he now works at the National Library of Wales; he plays lead guitar in a local band.

**Eilir Evans** – Eilir is Felinfach through and through, and works at the National Library of Wales. Not only is he Chairman of Felinfach Playground and Football Club, but he also still plays for the club... he is expecting a pension! He's one of the Leaders at Felinfach YFC and is Treasurer



for the 4 parish churches in Dyffryn Aeron. He is happy to help everyone and tries to keep everyone smiling!

**Carys Mai** – Carys moved to Ciliau Aeron earlier this year, but she had strong connections with the area from an early age. When she is not Office Manager for the MP Ben Lake in her day job, she is busy gardening and weeding. She enjoys performing with Merched Soar choir, and is a Director of Theatr Troed-y-rhiw.

**Lowri Jones** - Lowri is originally from the Synod Inn area, and has recently settled in Ciliau Aeron. In her daily work she engages with communities with the hyperlocal websites project, Bro360. In her spare time she enjoys watching local rugby and singing with the choir. She is Treasurer for Theatr Troed-y-rhiw. She is in her element when involved in projects which empower and energise local communities.

**Gary Davies** – Gary was born and raised in Felinfach, and has worked for Clynderwen and Ceredigion Farmers Ltd for 34 years. He has taken on various roles with the CCF, from shop work to regional manager, and is now the Compliance Manager, with responsibility for health and safety. Gary enjoys working with various local organisations, including YFCs, Theatr Felinfach and the annual pantomime, Felinfach Football Club junior teams, and is Chair of Governors at Ysgol Ciliau Parc.

**Euros Lewis** – Since leaving his role as Community Education Officer with Ceredigion County Council, Euros has sought to assist projects that develop positive responses to the challenges faced by Welsh communities (e.g. Gweithgor Dyffryn Aeron Working Group, Theatr Gydweithredol Troed-y-rhiw and Radio Beca's Prosiect Fory).

**Hywel Ifans** – Hywel is a Director of BCC IT, an IT company based in Newcastle Emlyn which employs around 35 staff and works throughout the UK and beyond. Hywel is a past technical leader prize winner in Wales who boasts over 25 years business experience, and is passionate about developing a strong rural economy. He is a business role model with Big Ideas Wales, which strives to inspire the next generation of entrepreneurs.

**Rob Phillips** – Rob lives on Blaenfallen farm near Talsarn, husband to Delyth and father to Tryfan. Before moving to Blaenfallen he lived in Lampeter and was a Town Councilor there. He is an archivist and works at the National Library. He is one of the organisers of the Lampeter Beer and Cider Festival and a member of the committee that re-established the Lampeter Food Festival in 2019.

**Dyfed Evans** – Although Dyfed now lives in the Lampeter area, he was brought up next door to the Vale – literally! As a numbers man, Dyfed is an ACMA qualified accountant and runs a cooperative company in Swansea.

## **9.2 Membership engagement & thematic groups**

The Steering Group is keen to maintain the sense of shared ownership and responsibility and as such will continually seek to engage with the membership (and the wider community). This will be done by all manner of social media, via the local press, in particular using 'Llais Aeron'

the local *papur Bro* (monthly community paper), via news items on the website and also through the publishing of a regular newsletter.

The Steering Group will be supported by up to six sub-committees responsible for different areas of activity and expertise. These groups are a way of sharing workload but also of maintaining engagement and expanding the active core membership such that progression and succession can occur naturally. These are expected to include:

- Business operations
- Marketing, branding and communications
- Building redevelopment and maintenance
- Food and drink
- Outside area & garden
- Community activity and entertainment

The groups will assist the Steering Group in carrying out its functions, ensure effective development and running of the Vale and carry out specific tasks on its behalf.

## **10. Risk management**

### **10.1 SWOT analysis**

This SWOT Analysis identifies the Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T) pertinent to the project. A further, more detailed risk register can be seen in Appendix 4.

#### **Strengths**

1. Historical goodwill – the Vale has had a steady customer base and was a popular venue with residents from villages within a wide radius.
2. Lack of competition from pubs, restaurants, hotels within a 5 mile radius.
3. Outdoor space – the ability to plan and utilise outside areas to maximise usage and income in extended Covid-19 era.
4. Significant support and goodwill demonstrated through questionnaire responses and public meetings.
5. Good community facilities in the village, making the pub a popular location for a ‘post meeting’ drink. Good tradition of village involvement in activities.
6. An attractive building with characterful interior spaces.
7. Excellent central location, within easy walking distance for all villagers and central to the wider community of Dyffryn Aeron.
8. As a community venture there will be increased incentive for shareholders to use and support the facility.
9. As a Community Benefit Society the venture will be able to apply for grant funding.
10. The Society will own the freehold and will not be tied to any breweries; therefore we will be able to negotiate the best deals for supply of food and drink.

#### **Weaknesses**

1. Underinvestment over a long period of time, so the building is not in pristine condition.
2. The customer base has fallen somewhat since Covid, in particular on the food element of the business as the leasee had moved his focus elsewhere.
3. Refurbishment costs are high and difficult to predict, in part due to the age of the property, and in part due to external factors such as Covid and Brexit.

#### **Opportunities**

1. To build and expand on the existing reputation.
2. To satisfy the demand for a good food offering in the area.
3. To provide a space for private functions which could also be used for additional community facilities.
4. To develop a new customer base including home workers, nearby businesses and people in search of locally produced beers and locally sourced, good quality, food.
5. To bring in custom from beyond the village, and even, on occasion to take the pub out to the other villages around the area.
6. To strengthen customer base and loyalty by building on the community aspect of the pub.
7. To involve customers and the wider community through organising events, practical skills, volunteering etc.
8. To enable the local community and wider shareholders to feel part of something that is historical and beneficial to the village.
9. To improve the premises and services to attract further use by the community.
10. To work to enhance the attractiveness of the pub, through practical support and constructive feedback.
11. To appoint an experienced manager and staff to make the pub successful, to provide good customer service and to ensure it is well used by the community.
12. To take advantage of new grant funding pots available to support communities with their recovery from Covid-19 and to develop community owned assets.

## **Threats**

1. A lack of interest in the community share offer.
2. The inability to repay lenders.
3. A lack of sufficient finance after purchasing the pub to complete the refurbishment and development works.
4. Covid-19 restrictions continuing for a longer period, effecting our ability to trade as anticipated.
5. Unexpected repair costs.
6. Diminishing community support, both in general and as volunteers.
7. Changes in external factors over the next three years – such as an economic downturn, grant funders' policy changes, unexpected competition, etc.

8. Failure to appoint and retain suitably qualified key personnel, especially manager and/or chef.

9. Failure to achieve and maintain a correct balance between quality /value / profit.

## **10.2 Responding to the risks**

We intend to build on our strengths and take advantage of the opportunities identified in our SWOT analysis. We will meet the weaknesses and threats through the following measures:

### **10.2.1 Attracting business**

Once the pub is owned by the community, the commitment to use the pub and to encourage family and friends to use it will be considerable. This has proven to be the case in many instances of community-owned pubs. Forming partnerships and supporting the numerous local clubs and associations will engender a sense of shared and mutual loyalty.

Consistent provision of competitively priced good local beer, wine and freshly prepared food using local ingredients, together with reliable opening hours, will provide a good basis for establishing the reputation of the pub, which should then attract a steady flow of customers by word of mouth, good TripAdvisor reviews, local newspaper restaurant reviews, etc. The introduction of events such as regular live events, pub sports, lunchtime clubs, café, and community activities of all kinds will also attract custom.

### **10.2.2 Lack of grant funding for refurbishment and unexpected costs**

A condition survey has been undertaken and our offer to purchase the pub reflects the current condition and valuation provided. We recognise that to bring the building up to standard will require some refurbishment and repair works. However, in order to achieve our full vision, and to meet the needs of the community and increase the project's viability, we are eager to re-model and develop parts of the building. We intend to fund these works through a mixture of community shares, fundraising and grant funding. Based on initial enquiries with potential funders and research of potential grant streams, we are confident that the project meets the criteria of some capital grant funds.

We identify a small risk that our grant applications might not be successful and are ready to scale down our plans and repair the building with the funds available, should we need to. Our Steering Group includes members who are experienced in successful grant applications and this will be an advantage. The financial impact of unanticipated repairs can, to some extent, be mitigated by using volunteers from the community and fundraising activities. Many have indicated during consultation events that they would be willing to donate their time and skills in-kind to assist with repairing the building.

### **10.2.3 Loans not paid and shareholder withdrawal**

We will purchase the building with the funds raised from the sale of community shares.

The Society's rules provide that members cannot withdraw their shares in the first three years of the operation of the business, to allow it to establish itself. After that, members will be required to give notice as per the Rules if they wish to withdraw shares, and approval will be subject to funds being available and Steering Group confirmation.

Cash reserves will be built up where possible to enable withdrawal of shares subject to the requirements of the business. Ideally, new or existing shareholders will be willing to invest to replace shares being withdrawn. If they cannot be replaced, then the reserve fund would be utilised. Whilst the Society's rules require that every member commits their investment for at least three years, there are certain circumstances in which the Management Committee is authorised to allow early withdrawal (e.g. death and bankruptcy).

In practice we do not anticipate that the Society will be in a position to fund any withdrawals before Year 5. When it becomes possible to consider share repurchase, the Steering group will set out appropriate criteria and annual limits. The Steering Group may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves, and the commitment to the community.

#### **10.2.4 The business is unviable**

If, despite a sound business plan, vigorous and sustained marketing, and the support of members and other customers, the business does not develop as anticipated, then the Steering Group would be forced to consider appointing a tenant to run the pub OR be forced to close the pub, sell the assets and repay the original investors, with any residual assets to be used for the benefit of the community. This is clearly not an outcome that we seek, nor one that we think is likely, but this possible course of action should give investors some security that in the event of the enterprise being unsuccessful they may be able to recover some or all of their investment.

#### **10.2.5 Covid-19 restrictions**

We anticipate that the purchase of the pub will be completed early in 2022. At present it is difficult to foresee the effect of the pandemic on the business operation. Our initial priority will be to reopen, adhering to any Covid-19 regulations which may exist at that time. Should we be successful in our grant applications for the upgrade and development works, this would lead to a period of more limited opening whilst the works are underway.

In anticipation that our grant applications will be successful, we foresee that we will re-open the newly refurbished building in Spring 2023. We will continuously monitor the situation and adapt as we go on to respond to the pandemic situation. We will also look into what business support grants we may be eligible for to help us during the pandemic.

### **10.3 Data Protection Act 2018**

The Society adheres to the principles of the Data Protection Act 2018 and will use and process personal data only for the purposes of Menter Tafarn Y Dyffryn Cyf. We will:

- use it fairly, lawfully and transparently

- keep personal information that we hold securely and up to date
- only use it for the specific purposes for which it was collected
- keep it for no longer than is necessary

## **11. Conclusions**

The community of Ystrad Aeron/Felinfach and the wider Dyffryn Aeron area have stakeholders who are clearly very supportive of the proposal to purchase, preserve and develop the Vale as a community venture. There is much evidence to support the need for a social meeting place in the area, to support people with their health and wellbeing and help tackle social isolation and loneliness. This project will also regenerate the area, creating employment and volunteering opportunities and will provide vital facilities for a rural community.

The aspiration that 'Y Vale' will be self-financing is realistic, provided that a stable customer base is built, and that sufficient investment is forthcoming at the outset to make the building high quality and environmentally efficient. Ensuring appropriate staffing levels and, eventually, creating a Development Officer post will be crucial to promoting and marketing the Vale effectively, to continuing to create links with stakeholders and to ensuring that the asset maintains its social mission and responsibilities.

We are confident that - provided the community, shareholders and stakeholders continue to offer their ongoing support, and that the project can deliver the facilities and services needed to a standard that meets the community's expectations - 'Y Vale' will be a thriving business and community asset.



## **12. List of Appendices**

Appendix 1: Potential funding sources

Appendix 2: Sample of support letters

Appendix 3: 5 year financial model and cash flow forecast

Appendix 4: Risk register

### **12.1 Appendix 1 - Potential funding sources**

#### **Community shares**

Community Share ownership is a fundamental part of the whole venture as it is the means by which the community participates in and takes ownership of the pub. In addition, it provides vital funds to the project and is seen by most grant givers as a necessary demonstration that the community is committed to the project.

#### **Grant funding application support**

Ceredigion Council, via their Cynnal y Cardi scheme, would be able to assist with supporting the work of developing grant funding proposals. Menter Tafarn y Dyffryn have already secured funding of over £6,000 from Cynnal y Cardi to support this work going forward as well as to support the public consultation associated with the share offer itself.

Below are some examples of possible funding sources for the building refurbishment and development work and possible revenue funding sources for staffing:

- **National Lottery Community Fund - People and Places**

Offers funding from £100,001 to £500,000 for projects where people and communities are working together and using their strengths to make positive impacts on the things that matter to them the most. 'People and Places' can fund capital and revenue costs up to £500,000, such as equipment, staff costs and refurbishments. It can fund projects for up to five years.

- **Welsh Government – Community Facilities Programme**

This is a capital grant scheme operated by the Welsh Government. Grants are available at two levels: small grants of under £25,000 and larger grants of up to £250,000. Grants can be used to improve community facilities which are useful to, and well used by, people in the community.

- **UK Government Community Ownership Fund**

The UK government has launched a new £150 million Community Ownership Fund to help ensure that communities across Wales, Scotland, England and Northern Ireland can support and continue benefiting from the local facilities, community assets and amenities most important to them. Community groups will be able to bid for up to £250,000 matched-funding

to help them buy or take over local community assets at risk of being lost, to run as community-owned businesses. The next bidding round for the Community Ownership Fund will open in December 2021 and Menter Tafarn y Dyffryn are working towards an application within that round.

- **Foundational Economy Fund Wales**

The services and products within the foundational economy provide those basic goods and services on which every citizen relies and which keep us safe, sound and civilized. Care and health services, food, housing, energy, construction, tourism and retailers on the high street are all examples of the foundational economy. The Welsh Government has established a £4.5m Foundational Economy Challenge Fund which will support a series of experimental projects that will enable them, in collaboration with partners, to test how they can best support the foundational economy and which Government interventions work best.

- **Heritage Lottery Fund**

Funding for a broad range of projects that connect people and communities to the national, regional and local heritage of the UK. Heritage can be anything from the past that you value and want to pass on to future generations. Grants of up to £5m are available for eligible projects.

- **WCVA - Community Asset Development Fund (CADF)**

Supports social businesses that are aiming to bring an asset into community ownership through one of the following:

- purchasing the asset
- purchasing and renovating the asset
- renovating an existing asset that is not in full use
- equipping an asset

The type of asset can vary from social/sports clubs, community halls, community hubs, community pubs etc. Successful applicants will need to demonstrate how the funded activity will create a positive shift in social impact as well as a positive shift in income generation. Organisations will be able to apply for up to £150,000. Match funding of at least 40% is required. CADF is 40% grant and 60% repayable assistance. How much you repay will be dependent on how much the organisation's income increases.

- **WCVA - Social Business Growth Fund (SBGF)**

Supports social businesses in Wales financially to enable them to grow and create job opportunities. SBGF is part funded by the European Regional Development Fund and Welsh Government and is added to the suite of investments administered by Social Investment Cymru.

The fund can provide investment of up to £150,000. Match funding of at least 40% is required. The support provided is a mix of grant and repayable assistance; the more you overachieve in creating jobs the less that needs to be repaid.

### **In-kind funding**

In-kind contributions may be used as a contribution within grant fund applications. An in-kind contribution is a non-monetary contribution. Goods or services offered free or at less than the usual charge result in an in-kind contribution. Similarly, when a person or entity pays for services on the committee's behalf, the payment is an in-kind contribution.

### **12.2 Appendix 2 – Examples of support letters (anonymised where appropriate)**

On tafarn.cymru

### **12.3 Appendix 3 – 5 year financial model and cash flow forecast**

On tafarn.cymru

### **12.4 Appendix 4 – Risk register**

On tafarn.cymru