

**HESKET NEWMARKET SHOP AND POST OFFICE**  
**Second Public Meeting**  
**Caldbeck Village Hall**  
**Tuesday 9<sup>th</sup> April 2024**

In attendance:

Philippa Groves,  
Simon Hewitt,  
Michelle Boundy,  
Helena Davies,  
Isabel Garnsey.

Agenda:

1. Welcome
2. Survey feedback
3. Updates
  - a) Steering Group members
  - b) The legal entity
  - c) Premises
  - d) Investing
  - e) Involvement
  - f) The Plunkett Foundation and the Financial Conduct Authority
  - g) Finances
  - h) Fundraising
4. Next Steps
5. Q & A

## **1 Welcome**

Philippa welcomed everyone to the meeting and set out the agenda.

## **2 Survey feedback**

Philippa presented some of the findings from the shop survey. She confirmed that 144 questionnaires were completed and said that while this was obviously a biased sample in that these were completed by interested parties nevertheless, the response was overwhelmingly positive, and we feel we have a mandate now to take this project forward. Summary feedback included the following:

The survey responses represented a mix of mix of household ages:

- 53% over 65 years old
- 26% aged 46 to 64
- 7% aged 26 to 45
- 14% less than 25 years old

Most respondents see the post office and shop as very important services for the village with scope to add other services such as a tearoom or café.

- 99% of respondents rate the PO as very important, scoring it 5/5
- 98% of respondents rate the shop as 4, or above, out of 5 in importance to the community
- 42% mentioned they'd like to see the tea/coffee shop reopened

Stocking local, affordable food is a priority for most people. Most people see the business as an important source of employment and as providing an important social facility.

- 81% see stocking and supplying local food as a priority
- 63% see the shop stocking affordable food as a priority
- 59% see the business as an important social facility
- 65% see offering employment as a priority for the business

While most people travel 10 or more miles to do their weekly shop, most travel a distance of 4 miles or less to their nearest convenience/top up shop. This suggests that while some people use the shop for their main weekly shop, most use it in addition to this.

- 93% of respondents currently travel 10 miles or more to do their weekly shop
- 20% Travel over 4 miles to their nearest convenience/top up shop

There was a huge response to the question of involvement – everyone wanted to be involved in some way, or several! On the financial side, most people said they'd be happy to buy shares and about a third would be happy to make a donation. On the doing side – 20% of people said they'd be happy to volunteer to run the shop with 6% offering professional advice or services.

Involvement?	Responses
Buying a share	89
Making a donation	49
Making a loan	20
Helping with fundraising	28
Shop volunteer	29
Joining the steering group	10
Providing professional advice or services	8

### 3 Updates

Phillippa and Simon gave the following updates:

#### a) Steering Group members

At the last meeting we asked for volunteers to join or support a Steering Group to set up the shop. We had a good response and have been in contact with everyone who's offered their time and support and will meet with them, as a group, shortly. The current members of the co-opted Steering Group and their main roles are:

Chair	Philippa Groves
Vice-chair	Simon Hewitt
Secretary	Michelle Boundy
Treasurer	Martin Woodham
	Martin Nicholson
	John Brown
IT	Isabel Garnsey
Marketing	Helena Davies

Philippa recommended that, unless there were any objections, the Steering Group would remain as detailed. No objections were raised.

The people who have offered their support and professional help, such as legal & business advice will form the basis of a 'skills pool' that the Steering Group can draw upon as and when needed.

#### b) The legal entity

In the notes of the last meeting, we shared some information about what type of legal entity might work best for the shop. We are minded to set up the Heskett Newmarket Community Shop as a community benefit society (CBS) and not a co-operative for three reasons:

- A CBS has a legal requirement to benefit the whole community. It doesn't pay dividends to members as a co-operative does - members benefit through being part of the community – and all profits are reinvested. We think a CBS better reflects the purpose of the shop.
- It is now a common way of setting up a community owned business and there is a lot of support we can draw on to put it in place.
- We are likely to be able to access more funding streams by being a CBS rather than a co-operative.

#### c) Premises

Our focus has been on acquiring the current premises, but we took on board the feedback from the first public meeting and have explored other options including building on the back green, on land currently used by the play area and the allotment

and using the church premises. So far, acquiring the current premises seems to be the only viable option.

#### d) Investing

We're having a think about what the minimum and maximum share value might be. There is a balance to be struck between offering shares at a minimum level that might be affordable to a larger number of people and a wider demographic and the sizeable amount of capital we need to raise as soon as possible. There is also the consideration of a maximum level of investment an individual can hold to avoid destabilising the business should the shareholders wish to withdraw their shares, and to avoid the risk of undue influence despite equal voting rights. (Withdrawal of shares is at the discretion of the Management Committee and usually controlled by having a maximum level of withdrawal per year.)

62% of respondents to the questionnaire said they would be willing to purchase shares and 34% said they would make a donation. Of those willing to purchase shares, many suggested a share price of £1,500 to £2,000. One option might be to set the minimum share value at this level.

The Plunkett Society notes that community owned village shops have rarely paid interest on their shares as the margins are very tight in that particular sector. Any proposal to pay interest would be based on performance and prioritise the need to maintain reserves and community benefit.

Money offered outside of the minimum and maximum share holdings is likely to be deemed as a Social Investment donation.

#### e) Involvement

Membership in a CBS is conferred by the purchase of at least one share. Members can cast a vote at General Meetings, for example the Management Committee will be elected in this way. A principle of CBS membership is that one member has one vote irrespective of the number of shares held.

We think shop and post office users should have a say in how the business is run whether they hold shares or not. Setting up a user group would be one way to do this.

#### f) Plunkett Foundation and the Financial Conduct Authority

Since our last meeting we registered with the Plunkett Foundation to gain access to their information and support for CBSs. They provide model Rules we can use to fast-track our registration as a CBS with the Financial Conduct Authority (the FCA). Registering with the FCA can take two weeks. Once registered, we can open a bank account and begin to take donations, make share offers, and apply for funding.

We need to set out what the aims of the CBS are as part of the registration process. The main aims set out in our draft Articles are:

- To acquire, run and develop Hesket Newmarket village shop and post office into a thriving, viable and sustainable business, owned by its members and run for the benefit of the community.
- To provide access to fresh food and post office services that will help safeguard the social infrastructure of the rural community by maintaining a focal point and meeting place for those living in isolation, essential for combatting poor mental health, loneliness and to support those without family networks.
- To help alleviate social deprivation and isolation by developing an inclusive and diverse Community Hub welcoming of all ages and backgrounds.
- To create meaningful development, volunteering, and apprenticeship opportunities
- To provide a focus for tourists to the area thereby supporting the local economy.
- To support other local businesses by stocking and selling local produce where commercially viable to do so.
- To employ such other means of achieving any of the foregoing Objects.

#### g) Finances

In order to develop a costed five-year business plan, we need to review the finances of the shop and post office to date. The current business owner and Postmaster, Andy Bothamley, has provided us with the business accounts for the last three years and is currently finalising this year's accounts.

We will need to raise about £450,000 to purchase the current shop premises. This is an educated guess ahead of a professional evaluation. We can raise money through grants, fundraising, crowdfunding, selling shares and accepting donations. We could also borrow.

#### h) Levelling-Up Fund Expression of Interest and other fundraising

Our main funding focus is the government's Levelling-Up fund which offers capital grants up to £250,000 and revenue grants up to £50,000. We have already entered a formal Expression of Interest in applying for this fund and have been deemed eligible to apply.

The fourth and final round of funding opens this May and there is a lot of work to do before then. In order to apply we need to have 20% match funding in place and a costed five-year business plan.

We are drawing up a list of other potential funding streams.

## 4 Next Steps

- Register with the FCA sponsored by the Plunkett Foundation and using their model rules.
- Open a bank account.
- Register with the Information Commissioner's Office and put in place back-office systems in line with General Data Protection Regulation.
- Define the share offer and promote this through share documentation and accompanying literature.
- Set up (or take over an existing) online presence including a website, Facebook page, JustGiving and other crowdfunding pages.
- Develop a costed five-year business plan.
- Apply to the Levelling-Up fund and other suitable funding sources.
- Set a date for the next Open meeting.

## 5 Q&A

There were a few comments and questions from the floor which included:

- A commendation for the work the Steering Group has carried out so far and the manner in which this has happened.
- A suggestion was made about alternative methods for running the shop and post office business. One way to conduct the business is to run it ourselves supported by volunteers, but another way could be to act as a landlord for the premises and lease it to a business who would then be responsible for the operation of the shop and post office. We said that there were pros and cons to both approaches. While we were leaning towards running the business ourselves to give us more control, we hadn't made any decisions yet on this point. This decision will be informed by the five-year business plan, which is in development.
- A question was asked about whether shares could be returned? We said that they could and that the value of the share wouldn't increase – what you put in is what you could take out. The method for requesting a return of shares is set out in detail in the CBS rules – we'd usually expect people to leave their shares in the CBS for a period of three years. Each share return request has to be agreed by the Management Committee and there is a maximum number of shares that can be returned in any year so as not to destabilise the business.
- A question was asked about what happened to a person's share when they passed away? We said that community shares were non-transferable and can confirm that this is the case except when a person passes away or enters bankruptcy. In the former the share value would be returned to the person or entity the shareholder had nominated in line with our share rules. The CBS is required to keep a list of members and their nominated beneficiaries.

- MP Mark Jenkinson recommended that the Steering Group explore the potential of an application to the Rural Prosperity Fund.

### Contacts

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