

EXELBY GREEN DRAGON COMMUNITY PUB

CAPITAL PLAN UPDATE – JANUARY 2021

1. Introduction

The capital plan was last updated in March 2020.

Since then, the reroofing works have been completed and electrical certification achieved. As such the main priority renovations envisaged in the Business Plan have been completed except for the car park.

During 2020 we secured the following grants:

- Plunkett small grant (£984) – vacuum packers
- Pub is the Hub (£392) – signage
- Power to change (£4118) – log burner, upholstery (and roofs)
- Pub is the Hub (£2999) – audio visual
- Hambleton District Council – (£7500) – operational losses

In addition, £1130 was taken from the contingency to undertake fencing works along the side of the pub, provision of planters and additional benches for the beer garden/frontage. The Community Fund was also created.

2. Car park

Having undertaken all the priority works originally outlined in the business plan, outstanding is the car park which comes with the adjacent housing development and is now underway.

The developer is not under any legal obligation to do anything beyond provide the agreed car park. In the detail though consideration has been given to the need for:

- Lighting
- Drainage/Services to the upper garden area
- Additional car park spaces
- Fencing detail for the gas tank

The developer has agreed to provide a drainage/services connection to the upper garden area. The remainder of the requirements will have to be met by us if they are to be provided.

The desirability of additional car park spaces adjacent to the relocated gas tank has been considered (to the right-hand side as you enter the new car park). Otherwise this was to be left as a grassed area. The area could take, say, 3 extra spaces.

The options are:

1. To do nothing and leave the area as a grassed ‘amenity area’
2. To have the area as a hard standing finished with crushed stone
3. Additional car parking

For £4000 additional spaces can be provided.

The fencing work undertaken recently sits reasonably well with the car park development and was undertaken with this in mind, as well as tidying the side of the pub.

Electric car charging points have been considered. A couple of options have been pursued but have not come to fruition. Equally, it is likely that any infrastructure provided now could be 'out of date' by the time that electric vehicles (or alternatives) are mainstream. However, the new car park design has a perimeter which is conducive to any retro fit and as we move towards any future changeover date there will no doubt be grants and schemes available that support alternative technologies. As such no further action is being taken for now.

3. Open budget heads

As progress has been made the Capital Strategy has been updated as the different projects are completed.

Contingency fund

A contingency provision has been maintained throughout. Balances on each project account have been vired where costs have varied from the budget and any final balances moved to the contingency which now stands at:

Contingency Fund total	26,246.84
Spent (net)	4,625.09
Earmarked provisions	10,244.41
Fund balance	11,377.34

Currently held within the contingency is provision for works that will be required:

Provision	10,244.41
Toilet floors	4000.00
Restaurant electrics	2000.00
Repairs and renewals (whilst revenue funds are built up) (255.59 spent out of 500.00 original provision)	244.41
Miscellaneous works	500.00
Capital to revenue contribution	3500.00

Toilet floors: The toilet/corridor floors have had issues with 'bubbling' in places since the initial installation. It has never been clear whether this was due to installation or some damp patches in the sub floor. The flooring is serviceable, and performance of the floor is kept under review. There is no immediate requirement to replace the flooring, but it will require attention at some point. Subject to keeping the safety of the covering under review it makes sense to do anything at the same time as any renovations in the restaurant to keep disruption to a minimum and consider floor coverings as a whole.

Restaurant electrics: This area has not received any significant attention as part of the renovations. When the new toilet block was created a new supply was created with provision for the restaurant at some future date. It would make sense to tie any rewire into any other renovations for the area.

Repairs and Renewals: A provision is held to cover any repairs whilst a revenue fund is created/built up. Although a start has been made on creating a revenue fund, we are still dealing with the

uncertainties of Covid and the revenue provision might yet need to be vired to support the revenue budget overall.

Miscellaneous works: This was a provision for anything required as fine tuning from the renovations. A small sum has recently been spent on some of the kitchen pipework. This provision will be retained.

Capital to revenue: This provision was held for cash flow purposes to support the revenue budget in the early days of trading. It has not been called upon and if it was, it was the intention that this be 'paid back' so that capital funds were not paying revenue costs. As such it can now be deleted and if such provision is required in future it can be a consideration again from overall capital balances.

Taking account of the above, overall, the fund would be:

Fund total	26,246.84
Spent (net)	4,625.09
Earmarked provisions	6744.41
Fund balance	14,877.34

Grants

Of the various grant budgets that are still ongoing, they are expected to spend or are earmarked to their total value.

4. Capital funds held as cash (excl commitments)

Capital balance of uncommitted funds	24,305.31
Contingency balance	14,877.34
Overall uncommitted capital funds	39,182.65

5. Future plans

The original Business Plan envisaged works to the outdoor 'shed area' space but was an unfunded scheme at the time. In the November 2019 update it was agreed to return to this when costs overall could be reviewed from the main renovations.

As summarised in the March 2020 update, with the progress made, there was no pressure to do anything immediately to improve or enhance 'the asset' EGDCP Ltd is responsible for bar possible minor enhancements. In March 2020 it was determined:

- That no further commitments be made against the capital balance at that time.
- Additional works that may be required to complete the car park improvements be reviewed/committed once the detail on what will be achieved through the housing development is known.

Little has happened up to January 2022 to progress future plans mainly because there was not, until recently, a start date for the adjoining development or detail of the car park and what is to be provided. Also dealing with Covid has tempered circumstances/priorities.

Resources

The table above indicates the capital balances. This is the final tranche of capital available at the present time, subject to any grants that may be available. As such there is a need to 'tread carefully'. To be prudent, we are only committing to new schemes within the balance of our uncommitted funds of £24,305. This will leave the contingency sum to deal with the 'unforeseen' and the like.

This approach should take us through the next couple of years knowing that the Business Plan has been fulfilled. After which, other options for any capital requirements can be reviewed eg the equivalent of the loan repayment accruing capital funds once the existing loan is repaid or an additional loan, raising extra share capital etc. We will also hopefully be beyond the Covid legacy, whatever that may be, which might lend its own perspective.

Possible projects

The following are the main project areas that have been identified:

- **Shed area**

As envisaged in the original business plan, it was known that the sheds would require demolition at some point on safety grounds and that they currently serve no purpose to the operation of the pub or community activities. Consequently, there is no benefit in delaying this. Under any terms a first phase of works to this area is:

- Demolition of the sheds
- New boundary fencing
- Access steps from the beer garden deck without having to go via the (new) car park
- Tidying the area to a levelled grassed surface.
- An electrical supply/lighting

This would leave a useful open community/outdoor space that could be considered for any further developments once the clearance works are complete. As a minimum the area could accommodate some extra outdoor furniture and make a useful trading space for the summer (and Covid requirements).

Costs for this phase are estimated at £12,500.

In terms of us committing money to enhance the asset, this would create additional trading space to support the sustainability of the pub and generally additional outdoor trading space may be desirable in the Covid/post Covid era. Also, possible additional rent is a consideration in any new lease.

Within budgeting a sum for consequential works once the first phase is complete to set the area out is required. The idea of a community garden for part of the area has come about from previous ideas and consultation with Tom and Becci. Also, Tom and Becci would look to contribute in some way to establishing the area but it is not clear at this point what this might look like.

Without this detail a sum of £3,000 is estimated based on what we have spent on garden furniture and the like in the past.

Grant availability towards a project is being pursued and a lottery application has been approved.

A consideration is that this space is neighbouring adjoining residential property. We have to be sensitive to possible disturbance and whilst this would mainly be an issue for Tom & Becci we have recognised this and would progress a scheme with consultation.

- **Car park**

With the extent of the work to be undertaken as part of the housing development broadly known, there are a couple of issues for us:

1. Lighting – some low-level intensity lighting akin to that provided along the new fencing at the side of the pub would be desirable. Within the costings for the shed area is to take a lighting supply to the corner of the new car park area as a possible contingency. To extend this to provide lighting would be around £750.
2. Extending the car parking area – options are outlined above.
3. Possible fencing work around the gas tank – estimated at £300

Whilst costs are a consideration, the desirability of additional car parking is important. Equally we recognise that there would most likely not be any direct return for us from such an investment, rather a further contribution to the pub as an attractive venue.

- **Kitchen**

It has previously been noted that some of the kitchen equipment is not standing up to wear and tear but any new equipment should be Tom & Becci's responsibility according to their business aspirations. Changes are most likely to relate to needs as the business grows as much as the serviceability of the existing equipment.

- **Tom and Becci's plans**

In addition to the above projects there is an aspiration for further renovation of the restaurant at some point. There is nothing specific at this point. Issues for EGDCP Ltd are likely to be the electrics for which a contingency is already held and new flooring (which could tie into replacing the corridor/toilet flooring). An estimate would be around the £4000 mark to say bring the stone flooring through.

- **Minor works**

A couple of items have cropped up:

- In the bin store area, there are a couple of access covers to what look like old cess pit chambers. The covers have rotted through. The old chambers don't serve any purpose but should be filled in and capped to prevent any future issues.
- Damp is getting into the gable wall above the single-story cafe extension and into Bed 3 with both wet and frost getting into the render.

- **Defibrillator**

A defibrillator for the village is being pursued. Whilst it is anticipated that EGD Ltd acts as the responsible body for this and hosts a machine at the pub this does not envisage a contribution from capital funds (rather a bespoke funding package).

- **Summary**

To undertake the shed area works and the additional car park spaces etc would mean:

Capital funds		24,305.31
		Reducing balance
Sheds – ground works etc	12,500	11,805.31
Sheds – setting out	3,000	8,805.31
Gas tank enclosure	300	8,505.31
Car park lighting	750	7,755.31
Car park spaces (worst case)	4,000	3,755.31

This near commits the balance of uncommitted capital resources.

The minor works identified would be met from the contingency budget.

There would be no resources in the short term for anything to do with the restaurant area.

6. Lease

We have considered whether future investments need to be linked to the negotiation of a new lease. This will be determined as a plan is put together. Informal discussions with Tom and Becci indicate they would like to see the lease renewed earlier than planned as this would be a consideration to their own commitments etc.

7. Moving forward

At a meeting of the Directors on 2 February 2021 it was agreed to progress with the shed area and car park proposals. Also, to start the process of lease renewal.

Feb 2021