



Ashton Keynes Village Shop, Wiltshire



Location

Ashton Keynes, Wiltshire



Founded

2010



Legal structure

Ashton Keynes Village Shop Association Ltd; Community Benefit Society



Description of activity

Provision of a community-run village shop, selling a range of food and household items, as well as scratch cards, alcohol and PayPoint services



Key assets

Annexe of the Ashton Keynes Village Hall



Staff and volunteers

Five members of staff – three full time equivalents. Six members on the management committee; six volunteers supporting the day-to-day running of the shop.

Overview

Ashton Keynes used to support four village shops but, over time, these began to disappear. The last shop to survive was Beaconsfield Stores, which had been running from the annexe of a couple's privately owned home until they wanted to retire. The couple were very committed to the shop, so they first tried to sell the house along with the shop. However, the shop was not profitable enough to attract the right buyer, so they decided they would have to close it in August 2010.

Following a conversation between two locals in the village pub, it was decided that the village couldn't face losing the last shop in the village, so they began exploring their options, including whether or not they could use some space in the local pub to host the shop. After a couple of months these discussions fell through, but they decided to talk to their local Rural Community Council who put them in touch with the Plunkett Foundation.

To obtain a grant from the Plunkett Foundation, they had to adhere to a set of conditions, which included being able to demonstrate that there was community buy-in to the idea of retaining the village shop. So, a steering group was formed, and a meeting was held one Saturday morning which was attended by 130 people, demonstrating the community's support for saving the village shop. However, villagers were clear that they didn't want their shop to run out of a portacabin in the village hall car park, so further discussions were needed regarding a purpose-built location.

Another condition of the grant from the Plunkett Foundation was that the maximum amount granted could only be three times the amount raised locally, up to a maximum of £20,000, and it could only be one third of the total. The other two thirds had to be from locally raised funds and a commercial loan from a recommended source. The second of these was to provide scrutiny of the



business plan. So, the steering group, using the model forms from the Plunkett Foundation, started selling bonds to local residents and rapidly achieved over £20,000.

In the interim, the Ashton Keynes Village Shop Association decided to raise some additional funds to be used exclusively for continuing to keep the existing shop open until they were able to build a new location for the shop. The existing owners were happy to support this, so the committee, with the help of a £6,000 loan from the Parish Council, a £6,000 loan from the local Ashton Keynes Charity and £3,000 in local fund-raising, purchased the existing stock, fittings and fixtures so that they could continue to run the shop as it had been.

The Association then concentrated on raising enough money to cover the £69,622 costs associated with building a purpose-built annexe onto the existing village hall. This included using the £20,000 grant from the Plunkett Foundation, the £20,000 loan from Cooperative Community Finance, with the remaining amount being bonds, loans from residents and two successful grants that were provided to the village hall, along with £5,000 from the village hall's reserves. The building works were completed in December 2011, and the Ashton Keynes Village Shop has been running in the annexe ever since.

Financial health

Currently, Ashton Keynes Village Shop is in a stable financial position, with surplus profit recorded at the end of December 2018. Some years have been harder than others, but following the employment of a new shop manager in June 2018, the committee is confident about its future position.

Three key factors that have affected its development and financial health:

1. Business continuity and community buy-in

One of the main factors contributing to Ashton Keynes Village Shop's financial viability is the fact that it has never actually closed. The committee was very concerned that consumer habits would change (e.g. to online delivery) to such an extent that, if they waited a year and half for the purpose-built building to be ready, it would be very hard to attract villagers back to the shop and keep it at the forefront of their minds.

"Business continuity is incredibly important. We've seen it in other villages. You lose a shop for a period of two years and villagers have learnt to do something else ... they do a Tesco delivery." As such, the Association decided that they should lease the existing shop until they were able

to move premises so that they retained people's custom and loyalty to the shop. It also demonstrated to the community the level of commitment that was there to ensure that the village shop was going to be retained.

2. Retail management experience

Initially, one of the Association's committee members had a background in retail. They used to visit the shop every day and would offer advice to the store manager regarding stock purchases and pricing. However, when they left the committee, problems began to arise. For example, there was no one with experience of managing pricing structures and profit margins, and new product ranges were not being introduced.

In June 2018, Ashton Keynes Village Shop Association successfully employed a new shop manager who had over 20 years of experience in the retail industry. The shop manager's basic pay is supplemented with a profit-related bonus structure, so that the manager is personally committed to making the store a success.

Since taking up their post, the new manager has improved the flow of the store, introduced new product ranges and amended pricing structures to improve profit margins. They have also altered the opening hours of the shop to ensure that the after-work trade, and trade from Sunday walkers, is optimised. The manager has also introduced a promotions shelf, enticing people into the shop around key events such as Mother's Day, Easter and Christmas. They have also developed a Christmas order form, which includes entry into a Christmas raffle, as a way to attract larger orders at this seasonal period.

Not only does the manager bring with them retail experience, they also have a good understanding of what is needed from a village shop: *"Learning the village is the key thing. Know what's going to sell. Listening to the customers and helping them. You're not just selling the products, you're helping the customers to get what they need. If they come in for one thing, they buy a second and third ... A lot of people say to me, how nice it is to go into the shop and have a little chat with the staff. It's not just a shop. You're a community service as well, which is what the village shop needs."*



3. Beneficial relationship with the village hall

Being situated in the annexe of the village hall means it is felt that there will always be a need for people to have somewhere they can go locally to buy. The village shop and the village hall support each other's pursuits. For example, the village shop pays a rent to the village hall for use of the annexe, thus supporting the maintenance costs associated with the overall building. However, the rent is less than a commercial rent would be and, at times, the shop has been offered a rent holiday when things have been tighter financially. Also, the village shop offers a discount to groups and clubs who use the village hall when purchasing refreshments from the shop. This acts as guaranteed income for the shop and is a good way to advertise the shop's services to people who use the village hall, thus increasing footfall. *"We use the shop for beers and wines and ice creams and nuts and Pringles for the film night. It saves a lot of carrying and debating with Tesco's about sale or return and things like that ... the shop lowers the profit margin to give a discount for the village hall so that they can make a bit of profit too. This wouldn't happen with a Co-op or Spa."*

Future direction

Having recently employed the new shop manager, Ashton Keynes Village Shop Association is positive about the future viability of the shop. Whilst there are some concerns about increasing numbers of people opting for online delivery, it is felt that there will always be a need for people to have somewhere they can go locally to *"buy those things you've forgotten at the supermarket."* Customers also appreciate the personal service they receive: *"You can talk to [the manager] and say, 'Oh you haven't got any of this, can you get some of this in?' You can't talk to Tesco's and say, you haven't got any flaked almonds, can you get me some in for tomorrow."*

Reviewing profit margins and rotating stock, proactively responding to the needs of the community, and ensuring that there is strong retail experience somewhere within the team, will all continue to support the shop into the future.

Financial information

The following table provides an overview of Ashton Keynes Village Hall Association's income, expenditure and assets for the year ending 31st December 2018.

Income	£365,295
Expenditure	£363,357
Difference between income and expenditure	£1,938
Surplus/deficit on ordinary activities before taxation	£1,938
Annual income from grant or subsidy	£0
Fixed assets	£1,138
Current assets (Debtors; cash at bank and in hand)	Stocks: £17,054 Debtors: £411 Cash at bank and in hand: £49,221
Creditors: amounts falling due within one year	£53,306
Total	£13,380
Net assets	£14,518