

Some Background to “The Oak”

For the meeting on February 16th.

Like many pubs, The Oak (formerly The Royal Oak) had an up and down history in the first 15 years of this century but when well-run it thrived. Unfortunately the last landlady did not run it well. When given notice by the owners she squatted and trashed the place before an eviction order could be obtained. Subsequently the owners put the pub up for sale and in March 2016 it was acquired by DLM Investments for £445,000.

DLM investments is a private property owning company set up in December 2014 by three people (now two) with equal shareholdings. The Oak was its second acquisition, after a larger property in Gillingham. Purchase was partly (possibly largely) financed by a mortgage with Metro Bank. The lead director is of DLM is Mr Diljit Brar. Mr Brar has other property and business interests. In particular he is the owner, or majority shareholder, in Goldex Investments companies which are major Costa Coffee franchisees in Kent, Surrey and Sussex.

Shortly after DLM acquired the company, an application was made for listed building consent for internal changes and outside signage to convert the ground floor to a Costa Coffee. There was an outcry in the village. The Parish Council quickly nominated the Oak as an Asset of Community Value (see below) and the nomination was accepted by Ashford’s legal department. Among other things this meant that the change to a Costa required planning permission for change of use (at that time it would otherwise have been “permitted development”). Planning permission was applied for. Ashford rejected the application, the owners appealed but the appeal was refused. There was no indication in the application of what was intended for the upper floor.

It is worth pointing out that few people believed that a Costa Coffee would be viable in Charing. None of Goldex’s Costa franchises are in villages as small as Charing. Our belief was reinforced when Mr Brar himself said, when meeting parish council representatives, that he needed a catchment of 6,000 people (double the population of Charing parish) to make a Costa viable. Our suspicion was always that this would lead to an application for conversion to residential once the Costa had failed.

While the appeal was still underway a further listed building application was submitted to convert the main guest bedroom wing (the newer section which bridges over the approach to the car park) to a “manager’s flat”. Previously the manager’s flat was in the older part of the building.

In May 2017 a public meeting was held to discuss the possibility of acquiring The Oak as a community pub. The initiative was led for us by the Diocese of Canterbury and the meeting was addressed by a representative of the Plunkett Foundation which supports communities in acquiring and running community assets. The key outcome was that people wanted The Oak to be a pub and to be in competent hands. Acquiring it as a community asset could be one way to this. A group was set up to take matters forward.

A top-level survey and a valuation were commissioned. The valuation was £425,000 if the building was repaired and fully equipped. Given the state of the Oak, it was estimated that repairs and re-equipping would cost 200-250K. An offer of 200K was therefore made to Mr Brar but rejected out of hand.

Around this time, and in subsequent years, Mr Brar was from time to time approached by people interested in acquiring The Oak and running it as a pub but their offers were either rejected out of hand or they received no reply to their inquiries. Most of these people were potentially credible purchasers – for example people already running small chains of pubs, or with relevant experience.

In 2018 the main part of the building, excluding the “manager’s flat”, was put up for auction with a reserve price of 325K. There were no offers. Throughout, the key problem has been that the owners want to sell the building for a higher sum than any buyer is prepared to pay.

In 2019 DLM made an application for planning permission to turn the main building of The Oak into four 2-bedroom flats. A public meeting was held with an overwhelming vote in favour of continuing the battle to restore the pub. The application was rejected and no appeal was made.

In Autumn 2020 work was undertaken, initially without planning permission, to convert upper floor of main building (pre 2016 this was partly the manager’s flat) into letting bedrooms. CPC alerts Ashford and retrospective planning and listed building applications were made in December. Permission was subsequently granted.

2021, January. CPC representatives visited The Oak and met “Kam” who informed them that he is discussing with Diljit Brar a potential lease of the main part of the building to run as a restaurant/pub. Later that year a potential purchaser, on approaching Mr Brar, was informed that the lease was about to be signed. Nothing more was heard despite much chasing.

2021. The Asset of Community Value status was renewed for another 5 years. It expires in July 2026.

Mr Brar was invited to attend the meeting on February 16th, send a representative or supply information. He declined.

Asset of Community Value (ACV). This is also known as the Community Right to Bid. The main aim is to give communities a chance to purchase an asset that is of social importance to the community should the owner wish to sell. If the owners of an ACV wish to sell they have to inform the local authority and this triggers a six week moratorium. If during this period a community group informs the local authority they wish to prepare a bid this extends the moratorium to six months in total (including the initial 6 weeks). In our case the initial moratorium lasts until March 11th and the full moratorium would last until July 29th. The aim is to give the community group time to prepare a bid, find finance etc. During this time the owners can market the building and enter into negotiations but they can only sell to the community group. After the end of the moratorium the owners can sell to who they please – they are not obliged to sell to the community group. ACV status is also a material factor in planning decisions.

Help for community bids. The Plunkett Foundation provides help and advice to community groups including templates for Community Interest Companies, information, training, help with business plans etc.

The government currently has a “Community Ownership Fund” to support community groups wanting to acquire and run a community business. It lasts until March 2025 with four bidding rounds per year. Applications can go up to £2million but most bids are expected to be up to 250K for capital spending. Applicants need to raise at least 20% in match funding. In addition groups can also apply for up to 20% of the capital amount applied for as “revenue” funding to cover e.g. initial running costs.

The George at Bethersden was recently acquired by a Community Benefit Society with 250K of its funding coming from the Community Ownership Fund. Charing Parish Council has been sent information and a representative has kindly agreed to attend the meeting on February 16th.

Planning policy

The 2019 planning application showed that the owners wanted to make the site all residential. Leaving the Asset of Community Value status aside there are a number of planning conditions that anyone wanting to change a pub to residential use has to meet. In particular Ashford's Policy EMP10 includes the following:

Proposals that result in the loss of shops and services will only be permitted where it can be demonstrated that:

- a) There is alternative provision for a similar use within reasonable walking distance; or,*
- b) The unit is no longer viable for that purpose, or an alternative local service, and that it has remained vacant for a substantial period of time, despite genuine and sustained attempts to let it on reasonable terms.*

The onus is on the applicant to demonstrate that there have been "genuine and sustained attempts" to dispose of the business on reasonable terms. The owners were not able to demonstrate that in 2019 and any future owner would also have to demonstrate "genuine and sustained attempts".

Jill Leyland
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