

# FAMOUS FIRKIN PROPOSAL (PART I REPORT)



## The Famous Firkin Stonehouse

### Name and address of pub for sale

Famous Firkin

### Address

2 Adelaide Place, Stonehouse PL1 3JG or 47-53 Adelaide Street, Stonehouse, PL1 3JG

Grade II listed. Listed number 1129958. Listed since 1975.

### Purchaser : The Millfields Trust CIC

Company address:

HQ 237 Union Street, Stonehouse, Plymouth, PL1 3HQ.

Registration number: 03513202

### Recommendation :

That a loan of £130,000 is awarded to Millfields Trust CIC from the Inclusive Economy Fund towards the purchase of the former Famous Firkin pub situated in Adelaide Street, Stonehouse which has is vacant and in a very poor state of repair.

### Background

#### Profile of the purchaser and managing organization

Millfields Trust is a not-for-profit social enterprise whose aims are to contribute to the regeneration of the Stonehouse neighbourhood of Plymouth. The Trust is a democratic organisation with membership open to anyone over the age of 17. Members elect Directors to the Board of management on an annual basis.

The Trust has been trading for 22 years with its core business the provision of managed workspace. Currently the Trust is home to over 100 businesses, charities, and social enterprises. In addition, our premises are used by community groups and for conferences and meetings.

The Trust has been uses its trading surplus to develop work with young people in Stonehouse and to support other community initiatives. This is done mostly via our sister Charity Millfields Inspired which is runs a programme with raising the aspirations of year 5 children. For the last 14 years this work has supported approximately 200 children a year.

#### Profile of the Stonehouse area:

Stonehouse is an inner-city neighbourhood of Plymouth and forms part of the St Peter and the Waterfront Ward. Stonehouse has a population of approximately 9000 people. In 2019 the overall Index of Multiple Deprivation score for St Peter Ward was 47.1 this ranks the ward as 1 in the City. In 2019 11.5% of the population were claiming universal credit, compared to 5.6% across the City as a whole.

The neighbourhood is also characterized by high levels of social housing and poor-quality private sector housing.

Stonehouse also has a lower life expectancy than the Plymouth average and is the worst neighbourhood in terms of anti-social behaviour. The Ward has the highest rates of child protection cases and children going into care.

The area has also seen the loss of public houses, many of the traditional pubs on street corners have gone out of business, where there were once over 100 pubs in Stonehouse there are now 8 one of which includes the Famous Firkin.

Stonehouse is a densely populated neighbourhood, with flats and houses, in proximity. With the decline of the pubs, the loss of two community centres and the local health centre the area lacks places where people can congregate, socialize, meet their neighbours and friends and plan, and carry out normal community activities.

### The Famous Firkin

The Famous Firkin has been a pub since 1921, formerly known as the Adelaide Inn the pub was one of many of the corner street pubs that were a feature of this part of the city. In the 1990's there were as many as 30 pubs in Stonehouse.

The pub has been in gradual decline over the last 10 years or so, both in terms of the number of users and the physical condition of the building. The pub was an important part of the fabric of the community, binding people together, contributing to life and vitality of the area and making this corner of Stonehouse a better place to live.

The Millfields Trust has established a relationship with the current owner and has agreed a Heads of Terms to purchase the building. As part of our preparation work, they have commissioned a condition survey. This report has highlighted significant problems with the building, as well as other areas that will need further investigations. This will require a structural survey.

### **Proposal**

Millfields Trust want to make the Famous Firkin a thriving local once more. An open and friendly establishment which welcomes Mum's and Dads for coffee on the way back from the school run, lunches for the residents of Ron King House and others nearby, a home for the knitters, the sowers, the euchre group, the darts, and pool teams and runs bingo and karaoke events. They want the pub to welcome all sections of the community and as part of the business plan we hope to offer affordable but good quality healthy food. To achieve all of above we want to make the pub as mortgage free as possible.

### Deed of Legal charge between the Lender (Plymouth City Council) and the Borrower (Millfields Trust)

The terms of the loan will be through a deed of legal charge agreement on the property. The borrower is contracted to purchase the property and the Lender agrees to lend to the Borrower the agreed loan sum to enable the Borrower to purchase the Property on condition that its repayment together with interest is secured in the manner set out in the legal charge document.

The interest rate is 3% and the repayment period is over 36 months The repayment dates will be 1 month after completion and every first day of each month thereafter.

In the eventuality of a default, The security created by or pursuant to the Deed shall become immediately enforceable at any time after the occurrence of an Event of Default.

After the security created by or pursuant to this Deed has become enforceable, the Lender may in its absolute discretion enforce all or any part of this Deed in any manner it sees fit.

### Performance 2020/21 – Review of Business

The Trust recorded an operating profit of £226,255 before tax during the year 2020/21 compared to £176,080 in the preceding year. The Trust took steps to manage their own costs at the beginning of that financial year and were able to secure repayment holidays for mortgages, whilst also reducing staff costs and making savings from utilities and other running costs.

### Match funding

Aside from the loan, a community share offer will be launched to help purchase the pub and create a real sense of local ownership. Professional staff will be appointed to manage the pub and will have on site accommodation as part of appointment. Volunteers will then be sought to run events and activities. The local community around the pub want the place to thrive once again, to become more than a place of congregation, to be a hub and a venue that is a catalyst for other community activities.

### **Timescales**

- May 2022 Purchase the pub
- June 2022 Form new Community Benefit Society
- June 2022 Launch Community share offer
- October 2022 Begin work on refurbishment
- March 2023 Open for business