

MILLFIELDS COMMUNITY ECONOMIC DEVELOPMENT TRUST LOAN GUARANTEE (PART I REPORT)



1. Decision to be taken:

To extend a loan Guarantee from 31 October 2023 to 31 March 2024 (inclusive) between Plymouth City Council, Heart of SW LEP and Millfields CED Trust to enable timely completion of this work.

2. Organisation being supported.

Name

Millfields Community Economic Development Trust

Registered Address

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

Registration number

03513202

3. Background

Profile of Millfields Trust:

- 3.1. The Millfields Trust, a trading social enterprise, was founded in 1999 with the goal of revitalising Plymouth's Stonehouse community. Its goal is to revitalize Union Street as a civic spine and provide residents in the heart of Stonehouse with chances for employment that will change their lives, re-establishing the city's once-important connection to Devonport.
- 3.2. 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.
- 3.3. This is accomplished through delivering high-quality, reasonably priced office space for renting on flexible terms, as well as a platform for SMEs to grow and thrive. Its facilities are built to accommodate beginning, small, and medium-sized businesses in many industries. New, growing, and existing firms from various industries, including the creative and third sectors and social enterprises, are housed in the business spaces.
- 3.4. The Trust has been using its trading surplus in part to develop work with young people in Stonehouse and to support other community initiatives. This is undertaken in part via our sister Charity, Millfields Inspired, which runs a programme with the goal of raising the aspirations of year 5 children. For the last 14 years, this work has supported approximately 200 children a year.
- 3.5. The Trust recorded an operating profit of £203,056 before tax during the year 2021/22 compared to £226,255 in the preceding year. Income was almost exclusively generated via the letting of business units and conference rooms.
- 3.6. Throughout the year, Millfields ran a series of events to support local businesses and to forge links with the community. This included celebrating 20 years at HQ with tenants.
- 3.7. Following funding of £194,000 from Homes England, secured in 2019 for the development of Block D at the HQ site, a planning application was submitted in December 2021.

Profile of the Stonehouse area:

- 3.8. 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.
- 3.9. The neighbourhood is also characterized by high levels of social housing and poor-quality private sector housing.
- 3.10. 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.
- 3.11. Stonehouse is a densely populated neighbourhood, with flats and houses in proximity. With the decline of the pubs and 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, plan and conduct normal community activities.

4. Loan Background

- 4.1. Through HotSW LEP, Millfields secured funds from the Growing Places Fund in November 2013 for the building of Genesis (Unit C), HQ building, 237 Union Street, Plymouth, of £2,100,00. This was in the form of a loan.
- 4.2. Terms and conditions of the loan requested that the balance of the loan be repaid within 10 years (by 31 October 2023). PCC acted as a guarantor to this agreement and a charge was placed on the property (second to the Charge by Devon County Council acting for the Heart of SW LEP).
- 4.3. The loan agreement has since been novated to Somerset County Council and the novation of Plymouth City Council's Guarantor Agreement is in progress.
- 4.4. More details of the outstanding balance of the loan are in Part 2 of the report to this Executive Decision.

5. Decision

- 5.1. Currently, the loan agreement and Guarantee expire at the end of October 2023. An extension of the Loan Repayment Period was agreed by the LEP from 31 October 23 to 31 March 2024 on condition that Plymouth City Council continues to act as loan Guarantor. It is recommended that the City Council agrees to the extension of the Guarantee to enable timely completion of these matters.