

**Author/Lead Officer of Report:**

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**Report of:** Laraine Manley  
Executive Director of Place

**Report to:** Cabinet (acting as the Trustees of Hillsborough Park)

**Date of Decision:** 23<sup>rd</sup> September 2020

**Subject:** Leases of Former Coach House and Bowling Pavilion, Hillsborough Park, Sheffield

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Finance and Resources		
Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing Scrutiny and Policy Development Committee		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given?		
Does the report contain confidential or exempt information?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-  <b><i>“Appendix 1 &amp; Appendix 2 to this report are not for publication because they contain exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).”</i></b>		

**Purpose of Report:**

1. This report seeks the approval of Cabinet acting as the Charity Trustee of Hillsborough Park (Registered Charity Number 510841) (“the Charity”) to grant two leases to Age UK Sheffield being:
  - a) lease for the derelict former Coach House building, together with the adjacent Potting Shed, in order to undertake a restoration and conversion to a café, associated facilities and services;
  - b) lease for parts of the Pavilion to deliver a dementia day centre and community activity services including exercise classes, choir and theatre performances.

**Recommendations:**

The following decisions are recommended to Cabinet acting as Charity Trustee:

- R1.** Approve the leases of the subject properties to Age UK Sheffield based on the terms set out in Appendix 1 of this report
- R2.** agree that the Trustees are satisfied that the proposed terms are the best that can be reasonably obtained in the circumstances based upon consideration of the commercial details in Appendix 1 and the Qualified Surveyor’s Report in Appendix 2
- R3.** Approve the grant of a charge over the legal title of the Trust in relation to grant funding as set out in the report.
- R3.** Authorise the Chief Property Officer in consultation with the Director of Legal and Governance to negotiate the terms of the lease with the proposed lessee and the Director of Legal and Governance to prepare and complete all the necessary legal documentation in accordance with the agreed terms and in respect of a charge over title.

**Background Papers:**

**Appendix 1:** Confidential – Commercial Details

**Appendix 2:** Confidential - Qualified Surveyor’s Report dated 31 Oct 2019

**Appendix 3:** Hillsborough Park Title Plan

**Appendix 4:** Plans showing Lease Demises for Coach House and Pavilion

<b>Lead Officer to complete:-</b>		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	<b>Finance: Paul Schofield</b>
		<b>Legal: David Williams</b>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b>	<b>Laraine Manley</b>
3	<b>Cabinet Member consulted:</b>	<b>Cllr Terry Fox, Cabinet Member for Finance and Resources Cllr Mary Lea, Cabinet Member for Culture, Parks and Leisure</b>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Tammy Whitaker	Head of Regeneration and Property Service
	<b>Date:</b> 14/09/2020	

## 1. BACKGROUND

- 1.1 Hillsborough Park is held as a charitable trust, (further details of which are set out later in this report) with Cabinet acting as sole corporate Charity Trustee. The Park is managed by the Parks & Countryside Service. Annual revenue expenditure for the running of the park is generally greater than revenue income and the City Council funds a significant annual deficit.
- 1.2 Hillsborough Park historic buildings complex is made up of a number of important, historical and architectural buildings including, Hillsborough Hall, a residential lodge, derelict former lodge, Potting Shed, walled garden, Pavilion and a Grade II listed former Coach House
- 1.3 The grade II listed Coach House was declared surplus to requirements and has been advertised on the open market for commercial use since 1990s. Similar to the Hillsborough Lodge there have been various expressions of interest but due to the number of restrictions (Conservation Area, Planning, Listed Building, Charitable Status and the substantial level of investment required for renovation works involving major structural repairs), all previous proposals have fallen through.

- 1.4 Age UK Sheffield has secured grant-funding for a project to renovate and improve the Coach House and in return it is proposed to lease the Coach House and Potting Shed properties to the Charity. It is also proposed that parts of the Pavilion are leased separately to Age UK Sheffield to provide a bookable venue for activities to complement the café.

The locations of both properties are shown on the plans attached at Appendices 3 and 4.

Age UK Sheffield is an independent Sheffield charity providing services to people aged 50 and over in the city. Its vision is 'for a city in which no older person lives in poverty or loneliness'.

The objects of the Charity are to promote the following purposes for the benefit of the public and/or older people within the Area of Benefit:

- preventing or relieving the poverty of older people;
- advancing education;
- preventing or relieving sickness, disease or suffering in older people (whether emotional, mental or physical);
- promoting equality and diversity;
- promoting the human rights of older people in accordance with the Universal Declaration of Human Rights;
- assisting older people in need by reason of ill-health, social exclusion or other disadvantage; and
- such other charitable purposes for the benefit of older people as the Charity Trustees from time to time decide;

Age UK Sheffield has been working with the Friends of Hillsborough Park and with SCC officers on this project.

An initial investment of £85,583 was committed to a detailed design, project plan and planning application. This was made up of funding from:

- Lottery £49,700
- Architectural Heritage Fund £10,000
- Age UK Sheffield reserves £25,883

The subsequent delivery phase cost is £967,000 with funding agreed as follows:

- Lottery £581,500
- Partner funding £215,000 (Clothworkers, Garfield Weston, Bernard Sunley, Wolfson)

- Age UK Sheffield reserves £75,000
- Further fundraising to do £95,500

The total project cost (including fitting out and equipping the space and professional fees) is £1,052,583 inclusive of VAT.

Age The proposed renovation will provide activity and community spaces for local residents and Age UK Sheffield service users. The refurbished Coach House building will include a cafe, activity spaces, meeting rooms, consultation rooms and will give opportunities for collaboration and training. Age UK Sheffield have, from the outset, sought a long term interest in order to render their business plan viable and advise that whilst the Lottery's general guidance is that a 10 year lease is acceptable, LHF approved the funding on this project on the basis that it will involve a long lease of 125 years. Accordingly, provisional terms for a 125 year, full repairing lease have been agreed as set out under Appendix 1 of this report.

Hillsborough Park Pavilion is a modern purpose built facility that provides accommodation, changing rooms, community and parks maintenance spaces. It is home to the local bowling and Croquet clubs however the majority of the building is largely under-utilised. Age UK Sheffield wish to take a lease of part of the facility in order to offer a fuller programme of local community activities, classes, services, events and functions, such as, but not limited to: corporate events, birthday parties, fund raising events and weddings. Provisional terms for a 25 year lease have been agreed as set out under Appendix 1 of this report.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 The charitable objects of the Charity are *“the provision and maintenance of a park and recreation ground for use by the public with the object of improving their conditions of life”*.
- 2.2 The proposed leases contribute to the provision and maintenance of the park as follows:
- (a) Renovation of a derelict Grade II Listed Building
  - (b) Provision of the café, public toilets and associated facilities within the park.
  - (c) Provision of new managed community and activity spaces.
  - (d) Remove the liability and costs from the Charity to maintain and insure the Coach House and Potting Shed.
  - (e) Reduce the costs of maintenance, insurance and managing the Pavilion
  - (f) Generate rental income which will be retained by the Charity and used for the purposes of the objects of the Charity, as set out at

paragraph 2.1 above.

- (g) Create a quality attractive community space whilst providing much needed facilities for a major city park

2.3 The provision of a café, community space, facilities and public toilets in the Park, aligns with the objectives of the Council's 5-year Better Parks Initiative and the agreed partnership principles.

Better Parks is Sheffield's five year initiative, which was approved by Cabinet in 2018, that seeks to sustain and improve our parks and green spaces by increasing commercial interest and income. It's vision is to deliver better services for Sheffield's parks and green spaces by growing economically viable ventures. For example, more and better catering opportunities, increased social value initiatives through complementary sponsorship and new franchises. The overall approach of the Age UK Sheffield's proposal meets this criteria allowing investment and regeneration:

- Affordable public access
- Addressing inequalities and promoting activity and participation in our most deprived communities
- The Council maintaining policy and asset control
- Improving quality across all our facilities in all areas of the city
- Seeking and supporting partnerships that are aligned with the Council's priorities and values
- Ensuring potential partners are viable and sustainable.

Hillsborough Park is also included within a further project called "Active Parks". Active Parks are high quality, well designed and managed green spaces which have refreshments and toilets, provide a range of sport, leisure and recreational facilities that attract a wide range of users, and have the active involvement of a variety of community and sport groups. Age UK Sheffield's proposals will add key facilities that will make a significant contribution to Hillsborough Park's role as an active city park. The provision of café and toilets are important to making green spaces more widely accessible, and consequently will encourage social interaction, visitors to stay longer in the outdoors, bring new users to the park and increase opportunities for the community connections needed to get people more active hence promoting Health & Wellbeing.

Further to Hillsborough Park having activities that attract people of all ages and abilities there, are a number of developments in progress, which will help contribute, including:

- playground improvements – the first phase of which is to be delivered in autumn 2020
- Hillsborough All-Wheeled Bike Park and its associated activation programme and infrastructure improvements. This represents a

significant investment which includes over £200k of external funding and will provide activities targeted at young people.

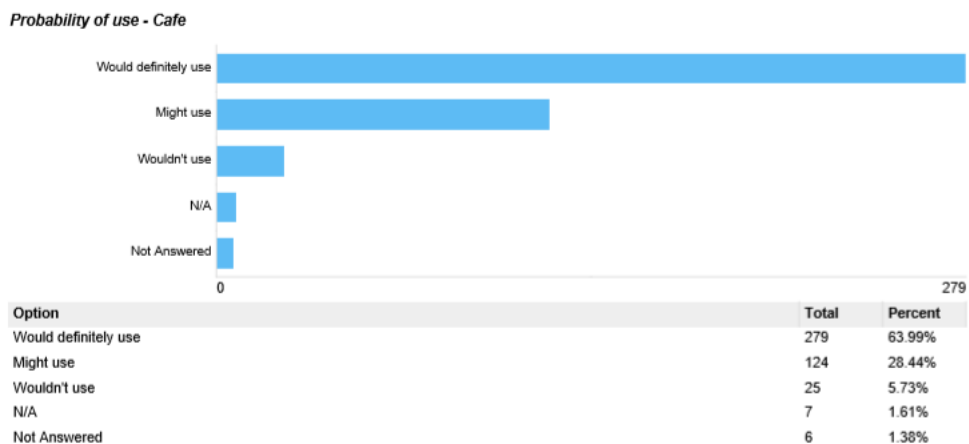
- Hillsborough Park Tennis Hub. The Parks and Countryside Service is working with a number of partners, including Together Active, Sport England and the Lawn Tennis Association to draw up proposals for significant improvement in the tennis provision in the park – this will also link to supporting tennis improvements and services at key sites across Sheffield.
- Hillsborough Park infrastructure improvements. P&C Service are planning a range of path network and drainage improvements to improve the park’s function as an events space and to accommodate its use for multi-model exercise. This work will be undertaken in partnership with key stakeholders, including Cycling 4 All and Tramlines Festival Ltd.

The combination of all of these improvements will support the ambition for Hillsborough Park to seek Green Flag award status. This award is the hallmark for quality parks and open spaces, both nationally and internationally.

### 3. HAS THERE BEEN ANY CONSULTATION?

3.1 All surveys undertaken for projects relating to Hillsborough Park, which have been undertaken via Parks & Countryside, have evidenced supportive findings, for example, a significant number of respondents to the recent “Skate Park” consultation were extremely keen to see a café and associated facilities.

The Better Parks Initiative’s consultation asked respondents directly whether they would want to see a café facility within their local park and there was an overwhelming response within Sheffield:



The proposed transaction supports The Better Parks Initiative. Local

members, Friends of Group, Legal Services, Property Services and Parks & Countryside Officers have had representation on the Project Board throughout the process. All members of the board have attended site visits with Planning Officers and Local Press.

Existing partners and stakeholders of the park, such as, Park Run, Cycling 4 All, LTA, HASA, Croquet Club and the Bowling Club have been notified of developments and have also been encouraged to view and comment on the Planning Application.

As the project began linking in to the wider use of the buildings and management of the Pavilion, the Chair of the Bowling Club was consulted and the Chair continued to attend the Friends of Hillsborough Park's regular meetings to ensure the flow of communication.

Age UK Sheffield attended The Better Parks' Promotional and advertising event in 2019 at the Crucible Theatre to showcase their proposals. This received positive responses on the day and led to further interests for catering at other sites.

A further two public surveys were carried out in 2019, by third parties on behalf of Age UK Sheffield. The first survey primarily informed and supported the planning application but it additionally highlighted the local demand for the facilities that were being proposed. The survey was available online, with paper copies available at Hillsborough Leisure Centre, Fairlawns Medical Centre, Hillsborough Park Library and at two public consultation events.

Survey one:

In total 568 people completed the survey with the following headline findings:

- 99.2% in favour of the project overall
- 99.7% in favour of a community café
- 99.7% in favour of public toilets
- 72.5% in favour of parking restrictions
- 74.5% in favour of an alcohol licence

In relation to the activities to be provided on site, support was as follows:

- 98.5% in favour of inclusive physical activities such as yoga and chair-based exercise
- 98.5% in favour of community group activity bookings
- 98% in favour of walking tours of the park



- 98% in favour of local history tours, photos and memories
- 98% in favour of nature-based activities such as gardening and flower-arranging
- 90% in favour of one-off events such as fashion shows and bistro evenings
- 75% in favour of commercial bookings including weddings

Importantly of the respondents who gave their residential post code, 71% lived in the S6 area.

Survey two:

The second survey was undertaken in the summer of 2019, specifically to inform of the business plan. This survey formed part of a wider piece of work carried out by the University of Sheffield, who carried out research into other cafes and similar conference/event facilities in the area.

In total 465 people responded to this second survey and again a high proportion of the respondents, 69%, were from the Hillsborough area. Headline findings were:

- 99.6% thought the proposals for the Old Coach House were a good idea
- 87% thought the proposals would benefit the community
- 77% said they would be “likely” or “very likely” to use the café
- 83% of respondents said they would visit the park more frequently if it had a café
- The most popular times to visit the café would be weekday mornings and weekend lunchtimes
- Respondents reported their average spend is most likely to range from £2.51 to £5 per visit

This survey explored a number of issues in more detail:

Visiting the park:

- 26% of respondents visited the park several times a week, with another 24% visiting once or twice a week. 28% visited mostly at weekends whilst 32% visited equally through the week.
- 67% visited the park to go for a walk; 39% to sit and relax; 44% to visit the children’s play area; 20% to walk the dog; 22% to do the Saturday morning Parkrun.
- Most people (45%) used the park in the morning before 11.30am, with

34% around lunchtime and 22% in the afternoon.

- **In answer to the question “If there was a good quality café in Hillsborough, would this change how often you would visit the park?”, over 83% reported they would visit the park more often.**

Feedback from minority groups:

- Widespread support for the project and all its aspects have been received from throughout the age demographic. There is no statistical difference in the responses across different age groups.
- Older people have been particularly consulted on the development of the activity plan. Letters of support from Sheffield 50+, Burton Street Project, which supports people with physical and learning disabilities, Disability Sheffield and Friends of Hillsborough Park. All respondents “really loved” the idea of having a café in the park.

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality of Opportunity Implications**

- 4.1.1 The objects of the Charity are to provide the park and its facilities to all members of the public without restriction to or distinction between any person’s characteristics including, but not limited to the protected characteristics identified and defined in the Equalities Act 2010. The property will be brought back into beneficial use for the whole of the community and there are no equality implications to be considered in the decision requested by this report on the proposed disposal.

### **4.2 Financial Implications**

The third party financial investment into this project through the LHF and associated grant funding and contribution in management time by Age UK Sheffield is significant and realistically represents the only route to renovating this historic building.

- 4.2.1 The proposed leases will generate new rental income for the Trust over time. All rental income will continue to be retained by the Charity and used for the purpose of the Charity in accordance with its charitable objects. Whilst the Coach House/Potting Shed lease will not generate rental income until year 26 of the lease, the financial and associated benefits will be as outlined in section 2.2 of this report.
- 4.2.2 The proposals will also transfer significant property liabilities from the Charity relating to the listed status, current condition and future repair and maintenance requirements.
- 4.2.3 The tenant will have the right to take a charge over the Trust’s title

4.2.4 Each party is responsible for its own professional and legal costs in connection with this transaction.

### 4.3 Legal Implications

4.3.1 Hillsborough Park (“the Park”) is freehold land, registered to The Sheffield City Council at HM Land Registry under title number SYK614112.

4.3.2 The Park was acquired by Conveyance dated 30 September 1890 made between (1) James Willis Dixon, Samuel Shepperson Dixon and George Dixon, and (2) The Mayor Aldermen and Citizens of the City of Sheffield, under the powers of the Public Health Act 1875, for the purpose of public recreation.

4.3.3 The Park is held as a charitable trust registered with the Charity Commission (Charity Registration Number 510841). The objects of the charity are “the provision and maintenance of a public park and recreation ground in Sheffield for the use of members of the public resorting thereto with the object of improving their conditions of life”.

4.3.4 The Council is the sole corporate trustee (“Trustee”) and all decisions concerning matters related to property or assets held by the Council on trust are made by the Cabinet.

4.3.5 The Old Coach House, Potting Shed and Pavilion (“the Properties”), form part of the Park and the law sets out clear requirements to ensure that the lease of the Properties is properly managed in the charity’s interests and that the Trustees obtain the best price reasonable in the circumstances.

4.3.6 By virtue of the Trusts of Land and Appointment of Trustees Act 1996, the Trustees have the power to dispose of the Properties without approaching the Charity Commission for approval.

4.3.7 Use of this power is dependent on the Trustees:

- exercising the power in a way which is compatible with the objects of the charity
- complying with the requirements of s117-121 of the Charities Act 2011
- complying with the standard of care set out in the Trustee Act 2000

4.3.8 In this case the lease of designated land will not alter the purposes of the charity and the terms of the lease will ensure ongoing compatibility with the objects of the charity.

4.3.9 The restrictions of s117-121 of the Charities Act 2011 are complied with as follows:

- by the consideration of the written report on the proposed lease from a qualified surveyor instructed by the Trustees and acting exclusively for the charity. A qualified surveyor's report ('QSR'), for each lease, compliant with the requirements of section 119 has been obtained and is attached to this report;
- the QSRs advise that it would not be in the best interests of the charity to advertise the proposed dispositions. This complies with the requirement to advertise for such period and in such manner as is advised in the surveyor's report; and
- by the Trustees deciding that they are satisfied, having considered the surveyor's report, that the terms on which the disposition is proposed to be made are the best that can reasonably be obtained for the charity.

4.3.10 As the land is held on trust for a specific purpose (i.e., designated land), the Trustees must follow the additional procedural steps of s.121. The Trustees must:

- give public notice of the proposed disposal, inviting representations to be made to them within a time specified in the notice, being not less than one month from the date of the notice; and
- take into consideration any representations about the proposed disposal made to them within that time.

This notice is additional to the requirement to the requirements of s.119 referred to above and has been published in the Sheffield Telegraph.

4.3.11 Other relevant powers governing the disposal of open space land include:

- section 123 of the Local Government Act 1972, which provides that the council may dispose of land held by it in any manner it wishes subject to certain conditions, and
- section 10 of the Open Spaces Act 1906, which provides that the Council holds and administers the open space in trust to allow the enjoyment of it by the public as an open space and for no other purpose.

The conditions for disposal will be met and the terms of the leases will ensure the ongoing enjoyment of the Properties by the public.

4.3.12 The leases will be excluded from the provisions of part 2 of the Landlord and Tenant Act 1954. As a result, once the leases come to an end the

tenant will have no rights to request a renewal or compensation should they come out of possession.

#### 4.4 Other Implications

- 4.4.1 The grant of the proposed new leases to Age UK Sheffield will align with the Council's strategic aims under The Better Parks Initiative.

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The former Coach House has been in a dilapidated condition for many years and has generated little interest when offered to the market, The P&C Service has previously explored the possibility of a Heritage Lottery bid to restore the Coach House, however this did not prove to be viable at that time. The costs of restoration can realistically only be met through grant funding via a third party such as the proposed lessee.
- 5.2 The Pavilion offers modern facilities but comprises community space and changing facilities so has limited alternative potential. The building originally had a Parks & Countryside Ranger managing the bookings, but this was very costly and not very effective. Eventually this role was combined into managing a number of other Park buildings but this did not improve the use of the building as the Pavilion was not promoted and used to its full potential.

Age UK Sheffield see that there is synergy with the Coach House proposals and an opportunity for better services/benefits by using both buildings. There is no better option in our opinion.

### 6. **REASONS FOR RECOMMENDATIONS**

- 6.1 The proposal to grant 2 leases to Age UK Sheffield will achieve:
- full restoration of a derelict Grade II Listed Building via third party finance/funding
  - provision of a new café, public toilets and activity/function space at Hillsborough Park which will support the site become more inclusive for the benefit of new and existing users of the park
  - Increased community use of the pavilion
  - Increased presence in the park which may reduce anti social behaviour
  - increased income stream for the Trust which can be reinvested in the Park

- transfer of significant property liabilities
- regeneration of an under-utilised part of the Park
- enhancement of the quality and attractiveness of the park as a valuable asset for visitors
- occupation for the purposes of the charitable objects of the Trust
- compliance with the provisos contained within the power granted to the Trustee by the Scheme and with the statutory provisions contained within the Act and further with the requirements of the Charity Commission.









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