

Appendix 1
Stage 1 Options Report

Stage 1 Report

Graves Park - Rose Garden Café

Stage 1 Report (RE/06513)

V2_00

05 October 2023

Capital Delivery Service

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Document Controls

Document Approval

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Executive Summary

1 Executive Summary

In Spring 2022, Sheffield City Council developed a brief for the enhancement of the café provision in Graves Park under the 'Better Parks' programme. The Better Parks programme aims to deliver more accessible and sustainable parks within prominent sites across the city.

The aspiration set out by the Better Parks Brief was to restore the current building, undertaking a full refurbishment, including extension of existing window openings to improve the visual connection to the adjacent Rose Gardens and provision for a new external seating area (similar to those seen at other parks in the City, namely Forge Dam, Endcliffe and Whirlow Farm).

An initial site visit was undertaken by a multi-disciplinary design team which raised concerns over the severe bowing seen in the front wall of the café. The observed bowing indicated that the structural integrity of the building may be compromised, posing a potential health and safety risk. Further investigation was required to determine the condition of the building, which could not be undertaken safely whilst the café was in full operation. Therefore, in order to safely investigate the building, the Rose Garden Café Building was temporarily closed on 27th July 2022.

A third-party structural engineer, Adept Engineering was commissioned to provide expert analysis and a framework for the suite of additional surveys required. A supporting scaffold was installed to make the building safe and prevent any further movement. Sheffield City Council worked with stakeholders and Rose Garden Café occupiers, Brewkitchen, to allow the café to re-open safely. The café re-opened, with a reduced capacity, ahead of the 2022 Christmas holidays and the café has remained open since.

The feasibility study presented in this Stage 1 Report was commissioned by Sheffield City Council, with the following aims:

- To understand the condition of the existing building and level of repair and refurbishment works required.
- To understand the various options for the café building (restoration, refurbishment, replacement) providing initial costs and scope of works for each option.
- To provide options that respond to the Better Parks Brief and meet the level of service noted in the Better Parks vision statement.

The following table presents a summary of options for consideration with outline cost estimates based on the commissioned survey information.

Summary of options:

Approach	Option	Proposed Works	Cost Estimate
Existing building restored	2A	Structural stabilisation of the existing building and full refurbishment	£1,790,000
	2B	Structural stabilisation of the existing building with light touch refurbishment to café interiors only	£911,000
Existing building replaced	3	Demolition of existing café building and provision of MMC (Modern Methods of Construction) facility	£1,480,000
	4	Demolition of the existing building and provision of a traditional build facility in its place	£1,560,000
Limited works	1	Site safely secured and café building closed	£95,000
	5	Demolition of the existing building and site clearance only	£137,000



Note: All options aim to retain the existing WC block.

Site Introduction

2 Site Introduction

History

In 1925 Land purchased by Councillor and Mrs. J.G. Graves was presented to the Corporation as a gift to the City of Sheffield, for use as a public park. In 1927 an addition was made to the park through the construction of the Pavilion (which would later change its name to Rose Garden Café). Between 1925 and 1936 the park significantly increased in size from 154 to 248 acres, and in 1938 the construction of the Rose Garden in front of the Pavilion (later the Rose Garden Café).

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The Pavilion (date unknown) Source: Friends of Graves Park website



The Pavilion (date unknown) Source: British Newspaper Archives

Location

The Rose Garden Café is located in Graves Park, off Hemsworth Road in the Norton area of Sheffield [S8 8LJ]

Graves Park is Sheffield’s largest park and is a flagship site providing recreational and health benefits to a wide range of communities across Sheffield. The Park is held in a Charitable Trust with Sheffield City Council acting as the sole trustee. The Park contains several unique features and facilities such as Norton Hall [1795], St James Church, the animal farm attraction, two playgrounds, sporting facilities and the Rose Garden Café. The café is a well-used facility and contributes towards the cost of running, maintaining and improving the Park. The facility links through the rose garden to the park’s largest playground. There are two active Friends Groups within the park (the Friends of Graves Park and the Friends of Woodseats Playground).



Existing Building

The following photos were taken by the design team on site visits in May, June and October 2022.



Photo of front elevation facing Rose Gardens



Photo of east facing side elevation of the new WC block to the Rose Garden Café.



Photo looking west along the south facing front elevation showing the bowing out and leaning in the front wall and roof line to the front façade. Also note the dormers leaning back into the snagging roof line.



Photo of front elevation gable showing holes in the timber and render panelling, and the deterioration of the roof fascia, soffit and underside of window over main entrance.



Photo of front elevation showing deterioration and cracking in timber and render façade.



Photo of rear rainwater gutter and roof fascia / soffit detail showing major deterioration in timber panelling, due to missing and cracked roof tiles. Also showing evidence of bird nesting.



Photo of front elevation tiled roof finish showing missing and cracked roof tiles. Also note broken and boarded-up windows and blocked up clock tower.



Photo of front elevation showing deterioration in timber panelling façade.



Photo of front elevation gable and roof fascia / soffit showing deterioration in timber roof soffit and bowing in timber panelling.



Photo showing existing boiler and hot water storage system.



Photo showing front elevation leaning out internally, against vertical in background



Photo showing existing electrical installation mains units and incoming supply



Photo showing existing kitchen facility.



Photo showing rear collection point servery.



Photo showing existing food storage area with deterioration of internal finishes at junction between side wall and roof finish.

EXISTING ROSE GARDEN CAFÉ LAYOUT

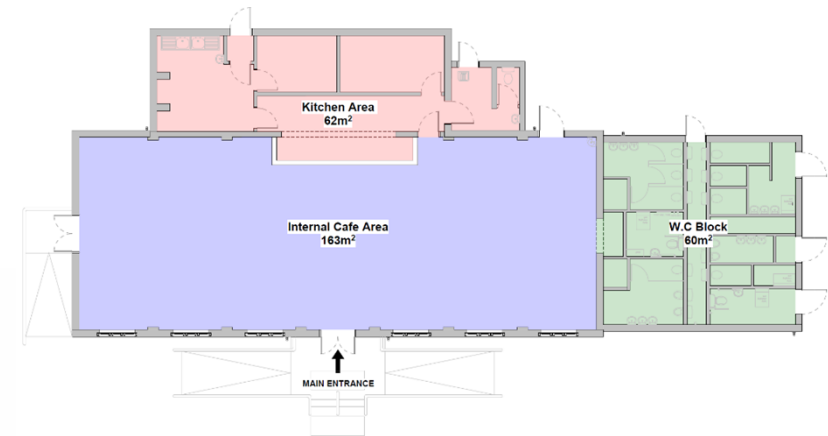
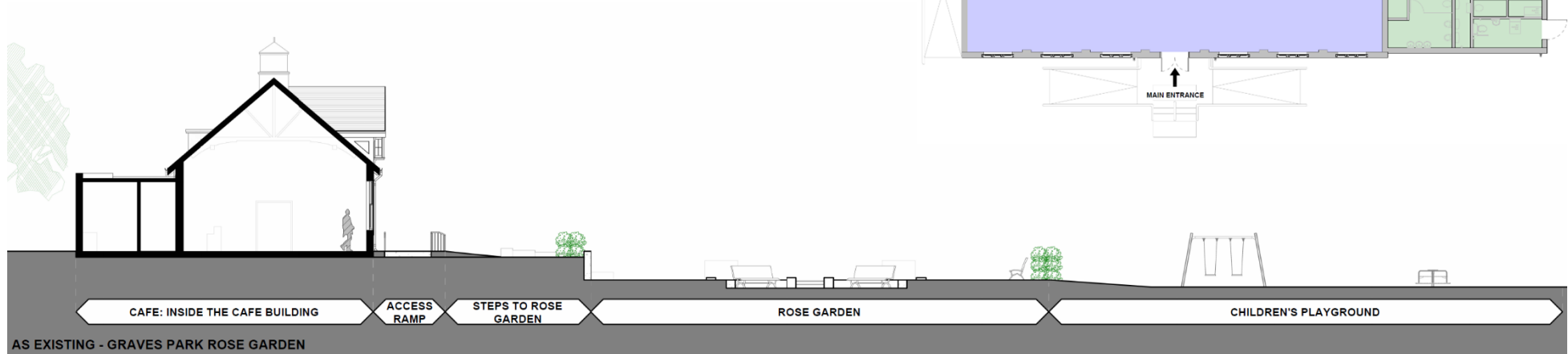
Existing Accommodation:

- Kitchen, lobby, office, store, staff welfare facility and servery, including walls and circulation area – 62m²
- Café area – 163m²
- WC block area – 60m²



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Existing Site Section – View Across Rose Garden:



Project Update

3 Project Timeline Summary

Date	Activity
May 2022	Better Parks Brief for refurbishment of the existing Rose Garden Café issued
May 2022	Sheffield City Council site visit
July 2022	Physical Condition Report undertaken
July 2022	Rose Garden Café building temporarily closed
July 2022 – March 2023	Surveys commissioned and undertaken
November 2022	Structural propping completed
December 2022	Brewkitchen opened takeaway service from the Rose Garden Café
August 2023	Stage 1 Report options issued

Proposed Better Parks Brief

In May 2022 under the Better Parks programme, Sheffield City Council developed an initial brief for the Rose Garden Café Building. The scope of works anticipated at the stage of the commission is set out below:

Scope of Works

Externals:

- Replace tiled pitched roof, insulation, fascia, bargeboards, and restoration of the clock tower
- Replace rear flat roofing, insulation, fascia, and bargeboards.
- Replace front elevation with new PPC aluminium / timber glazed curtain walling system and entrance doors. Allow for new sliding screens to front elevation to provide solar shading and protection from vandalism.
- Replace all other existing windows and doors.
- External decoration to all external walls required.

Internals:

- New flexible partition system to break up the seating area and screen W. C's, including new seating arrangement and FF&E.
- New energy efficient lighting scheme.
- New acoustics treatment, using suspended acoustic ceiling rafts.
- New interior design scheme and general redecoration throughout including existing internal W. C's.
- Refurbishment / renewal / new kitchen, servery, store, and office.
- Refurbishment / renewal / new mechanical and electrical services as necessary to meet current relevant standards, including Heating, water and ventilation systems [All electric] / New electrical services throughout / New fibre network connection for WIFI upgrade and CCTV monitoring system / Security systems – CCTV and alarms / Audio visual, sound, PA systems / New services to newly formed interior spaces i.e., kitchen, servery, store and office / Fire alarm system and emergency lighting system.

Landscaping:

- Formation of new external terrace area to front elevation incorporating access ramp and retractable roof covering system for protection from the elements.
- Retain and refurbish existing external and internal W.C facilities.

Sheffield City Council Better Parks Projects

Precedent projects delivered as part of the Better Parks programme, including restoration and new build elements:



Coach House Café – Hillsborough Park



Shelter Café - Whirlow Brook Hall



The Curator's House Café – Botanical Gardens

Photo credits:
Top left – Steve Chu
Top right – Rich Smith
Bottom left – @thegintraveller
Bottom right - @_myjoni

Surveys

The Rose Garden Café was temporarily closed on 27th July 2022 following health and safety risks identified in a physical condition report issued in July 2022. The table below lists all further surveys/reports which have been commissioned.

Surveys can be accessed on the Sheffield City Council website at the following link: www.sheffield.gov.uk/parks-sport-recreation/rose-garden-cafe-closure

Survey Title	Author	Survey Date	Revision	Scope	Identified Risks
Physical Condition Report	RLB	Oct 2018		Determine physical condition of existing café and WC buildings, outlining building defects	- Bowing and distortion to structural frame with roof sagging and front elevation leaning out observed
Physical Condition Report	RLB	July 2022			- As above but with deterioration due to water ingress and concerns raised with the regards condition of the timber structure
Structural Cafe Closure Report	CDS	Feb 2023		Provide information on the existing café condition, risk and safety issues and provide safety conclusions and recommendations	<ul style="list-style-type: none"> - The building is to remain closed until further notice as there is no indication when the building if/will fail. - If the building is to be kept and refurbished additional surveys should be done as a matter of course.
Structural Report on Existing Building	Adept	Jan 2023	P1	Carry out a structural inspection and programme of further specialist inspections.	- This report confirmed the dangerous condition of the café structure and recommended follow on surveys.
		Feb 2023	P2		- Appendix F Updated. Roof Slab Reinforcement Investigation Report, Drain Survey Report , Timber Roof Survey and Timber Damp Condition Report and Geotechnical Site Investigation added.
		Apr 2023	P3		- This report provides an update on the further surveys undertaken.
		Apr 2023	P4		- Inclusion of measured tilt survey
Roof Slab Reinforcement	UKA / Adept	Nov 2022		Determine the condition of the flat	- Noted as no imminent issues with the flat roof to the rear of the café.

Investigation Report				roof to the rear of the cafe and recommend any remedial works	
Drain Survey Report	G.P. Drain Surveys / Adept	Nov 2022		Inspect the existing drainage, determine condition and recommend any remedial works	- Highlights some minor drainage remedial works to be undertaken.
Timber Damp Condition Report	Timberwise / Adept	Jan 2023		Inspect the roof timbers, determine condition and recommend any remedial works	- Recommends some further treatment of the roof timbers.
Geotechnical Site Investigation	ARC Environmental / Adept	Feb 2023		Determine existing foundations	- Confirms that the original wall is not based on stable ground and any future works should be founded min 500mm below.
Measured Tilt Survey	Terra Measurement / Adept	Mar 2023		Measure the tilt of the existing walls	- This survey confirms a lean beyond that which is acceptable when reviewed against numerous criteria.

Note: The toilet block that adjoins the cafe building was constructed separately to the café and assessments of the structure determined it to be unaffected by the issues of the main structure and therefore it has remained open at all times.

Initial Options Appraisal

4 Initial Options Appraisal

Six options have been prepared based on the brief and site investigations. To assist the generation of a cost plan for each option, the design team have provided an initial scope of works for each option. In the next design stages, the scope of works for the preferred option would be developed in further detail.

Approach	Option	Proposed Works
Existing building restored	2A	Structural stabilisation of the existing building and full refurbishment
	2B	Structural stabilisation of the existing building with light touch refurbishment to café interiors only
Existing building replaced	3	Demolition of existing café building and provision of MMC (Modern Methods of Construction) facility
	4	Demolition of the existing building and provision of a traditional build facility in its place
Limited works	1	Site safely secured and café building closed
	5	Demolition of the existing building and site clearance only

Existing Building Restored (options 2A and 2B)

OPTION 2A – Structural stabilisation of the existing building with full refurbishment

Proposed Works:

- Structural Engineering Works, as required.
- Replacement of roof, external windows and doors, floor, wall and roof insulation, internal finishes, FF&E, kitchen catering equipment and services including heating, electrics and fire detection.
- Allow for full M&E services upgrade and replacement, including all new electric supply.
- Kitchen, store, servery, office, and welfare area reconfigured within existing footprint – 62m²
- Internal seating and new community space reconfigured within existing footprint – 163m²
- Retain and refurbish existing WC block – 60m²
- New external covered seating area for approx. 40 people, ramps and external works.

Opportunities:

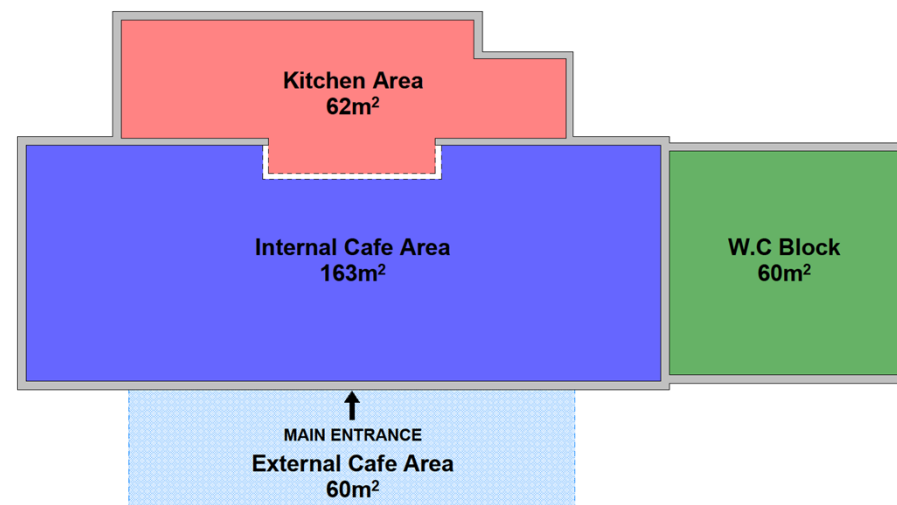
- Keeps historic value of Rose Garden Café.
- Reuses existing WC block.
- Reuse of building therefore minimising wasted embodied carbon
- Will include enhanced insulation therefore reducing carbon emissions from building.

Constraints:

- Working with existing 1920's building of unknown construction and condition.
- Increased costs and programme of working with an existing building in poor condition.
- Limited building energy efficient performance and life span due to use of existing fabric.

Notes:

- Maintains the existing building footprint and internal zones generally.
- Retained existing WC block: 60m² existing.



- New external seating area for approx. 40 people: 60m² (based on 40 spaces @ 1.5m² per person / counter service recommended area allocation)

Design Features:

- As original design:
 - Brickwork at low level
 - Timber boarding with rendered infill panels
 - Rosemary roof tiles
- New clock tower
- External covered canopy
- Aluminium full height opening glazed doors
- External sliding timber window shutters



OPTION 2B – Structural stabilisation of the existing building with light touch refurbishment to café interiors only

Proposed Works:

- New roof structure and front wall only.
- Replacement of pitched roof finish including dormer windows and clock tower, flat roof finish, insulation, external windows and doors.
- Allow for new finishes to café area only.
- Allow for partial M&E services upgrade and replacement where required.
- Retain existing WC block – 60m²

Opportunities:

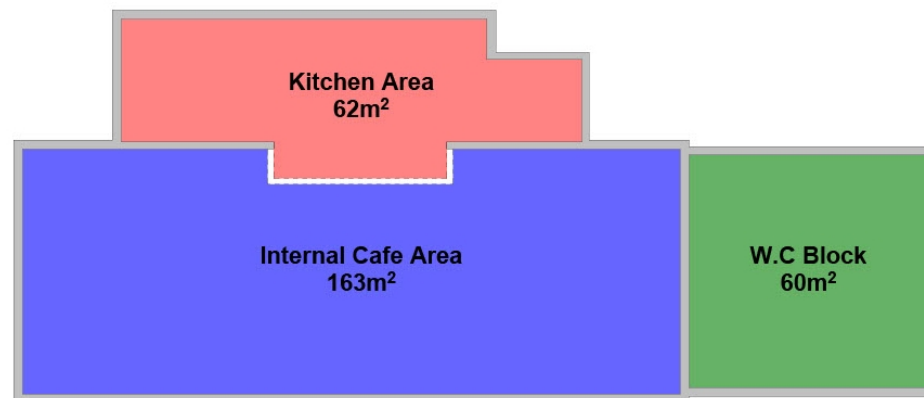
- Keeps historic value of Rose Garden Café.
- Reuse of building therefore minimising wasted embodied carbon
- Reuses existing WC block.

Constraints:

- Working with existing 1920's building of unknown construction and condition.
- Increased costs and programme of working with an existing building in poor condition.
- Least beneficial building energy efficient performance and life span.

Notes:

- Maintains the existing building footprint and internal layout as existing.
- Retained existing WC block: 60m² as existing, no new finishes.
- NO works to the following:
 - No repair works to external walls, except the front wall.
 - No upgrading of U-Values by the installation of insulation to existing floor and external walls.
 - No internal remodelling works to café, kitchen, store, servery, office, and welfare area.
 - No works to upgrade kitchen catering installation or finishes.
 - No new FF&E.



Design Features:

- As Original Design:
 - Brickwork at low level.
 - Timber boarding with rendered Infill Panels.
 - Rosemary Roof Tiles.
 - Timber windows.
 - Clock Tower restored.



Existing Building Replaced (options 3 and 4)

OPTION 3 – Demolition of existing building and provision of new MMC (Modern Methods of Construction) facility

Proposed Works:

- Demolition of the existing café building but retain existing WC block.
- New build café – ‘Modern Design and Construction’, consisting of:
- New kitchen, store, servery, office, and welfare area – 62m²
- New internal seating layout and flexible community space within café area – 163m²
- Refurbish existing WC block – 60m²
- New external covered seating area for approx. 40 people, ramps and external works.
- Low carbon / energy efficient / all new services and electrical supply.

Opportunities:

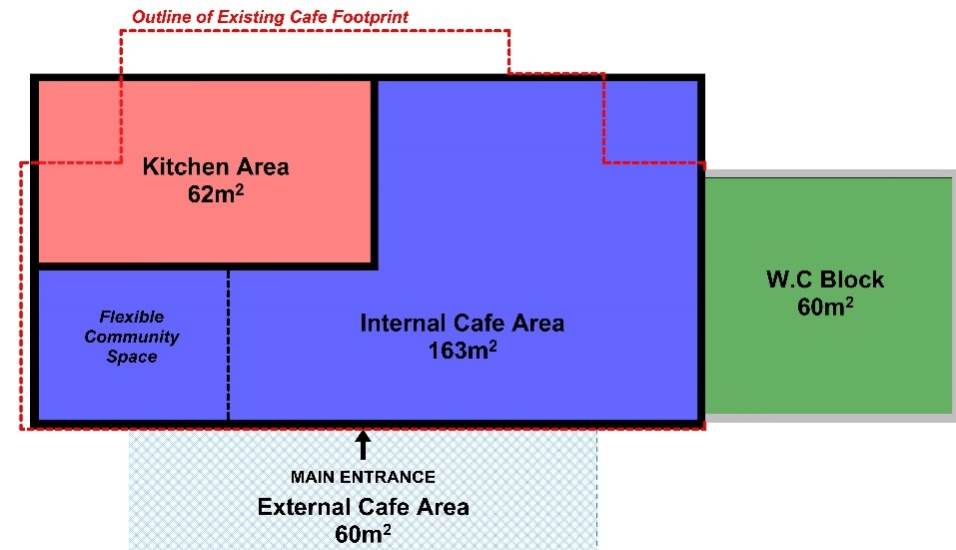
- More economical solution to build and maintain.
- Provides energy efficient performance and long-term life span.
- MMC build would be the most economic construction solution.

Constraints:

- Loss of historic value of Rose Garden Café.
- Would include waste embodied carbon due to demolition.

Notes:

- Retained existing WC block: 60m² existing.
- External seating Patio with seating for approx. 40 external: 60m² (based on 40 spaces @ 1.5m² per person / counter service recommended area allocation)
- Kitchen / Store / Servery / Office and Staff Welfare area (generally based on average café kitchen being approx. 25% to 30% of total café area served)



Design Features:

- Brickwork at low level
- Timber cladding
- Zinc roofing
- External covered canopy
- Aluminium bi-fold opening Doors/screens
- External sliding timber Window shutters
-
- North facing roof lights
- Naturally ventilated
- Potential to add P.V.'s



OPTION 4 – Demolition of existing building and provision of new traditional build facility

Proposed Works:

- Demolition of the existing café building but retain existing WC block.
- New build café – ‘Traditional - Mock Tudor Design’ to match existing, consisting of:
- New kitchen, store, servery, office, and welfare area – 62m²
- New internal seating layout and flexible community space within café area – 163m²
- Refurbish existing WC block – 60m²
- New external covered seating area for approx. 40 people, ramps and external works.
- Low carbon / energy efficient / all new services and electrical supply.

Opportunities:

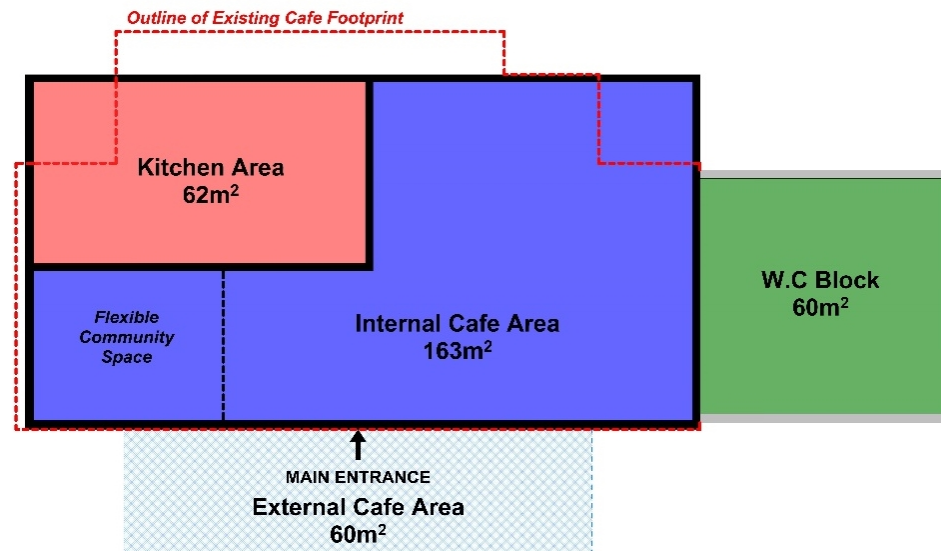
- More economical solution to build and maintain.
- Provides energy efficient performance and long-term life span.
- Traditional build gives best of old with new build.

Constraints:

- Loss of historic value of Rose Garden Café.
- Would include waste embodied carbon due to demolition.

Notes:

- Retained existing WC block: 60m² existing.
- External seating Patio with seating for approx. 40 external: 60m² (based on 40 spaces @ 1.5m² per person / counter service recommended area allocation)
- Kitchen / Store / Servery / Office and Staff Welfare area (generally based on average café kitchen being approx. 25% to 30% of total café area served)



Design Features:

- As original design:
 - Brickwork at low level
 - Timber boarding with rendered infill panels
 - Rosemary roof tiles
- New clock tower
- External covered canopy
- Aluminium full height opening glazed doors
- External sliding timber Window shutters
- North facing roof lights



Limited Works (options 1 and 5)

OPTION 1 – Site safely secured and café building closed

Proposed Works:

- Ensure members of the public are kept safely away from the building through secure fencing but make no repairs to the building.

Opportunities

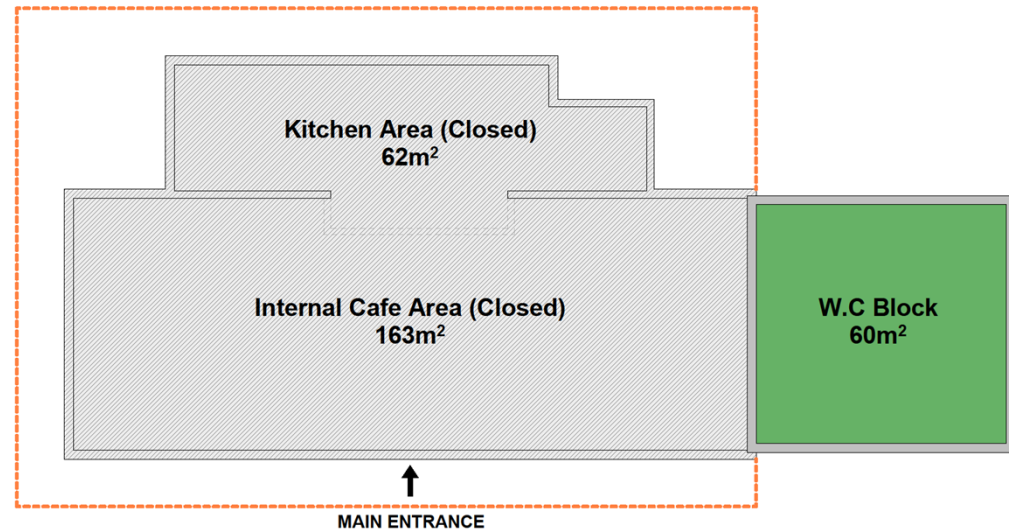
- Existing external WCs remain open.

Constraints

- Cost of maintaining scaffolding, indefinitely.
- Loss of café facility to Graves Park.

Notes:

- Maintain scaffolding internally and externally.
- Existing external WCs to remain open.
- Indicative security fencing line as indicated in Orange dotted line.
- CLOSED Rose Garden Café building footprint as identified in Grey lines and hatched area.



Design Features:

- N/A



OPTION 5 – Demolition of existing building and site clearance only

Proposed Works:

- Demolition of the existing café building and site clearance
- Retain existing WC block – 60m²

Opportunities:

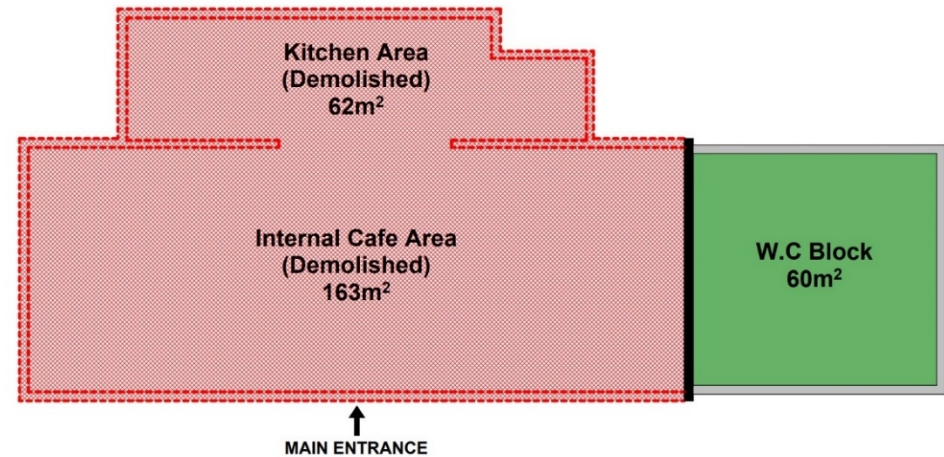
- Retains existing WC block
- Provide clear site for future 3rd party operator installation.

Constraints:

- Loss of historic value of Rose Garden Café.
- Would include waste embodied carbon due to demolition.

Notes:

- Retained existing WC block: 60m² existing.
- Works required to make good existing wall between café and WC block.
- Demolished existing Rose Garden Café building footprint as identified in red dotted line and hatched area.



Design Risks

5 Design Risks

The table below summarises the main design risks and issues associated with each option based on the available current information.

Option	Risk	Actions
Option 1: Close and fence off the café. Do not undertake any of the required repair works.	The condition of the café building deteriorates further, becoming unsafe, making any future refurbishment or demolition / rebuild works more costly and hazardous due to the increased risk of failure of the building structure.	Provide secure fencing around the perimeter of the café building and maintain security.
Option 2A and 2B: Refurbishing an existing building in overall poor condition and unknown stability.	Potential for the building structure to fail and collapse during refurbishment works. Unknown condition of elements does not become apparent until work has commenced and requires further remediation works.	Provide temporary structural bracing throughout prior refurbishment works commence. Allow for additional costs and time for unknown elements found during the main refurbishment works.
Option 3: Maintaining the existing WC Block as part of this new-build MMC option.	The existing WC block which requires some repair works will require structural bracing whilst the existing main café building is demolished, also limits the design of the new café and impacts on the length of construction works.	Temporary structural bracing installed prior to café demolish works. It may be more cost effective to demolish and rebuild the WC block.
Option 4: Maintaining the existing WC Block as part of this new-build traditional option.	The existing WC block which requires some repair works will require structural bracing whilst the existing main café building is demolished, also limits the design of the new café and impacts on the length of construction works.	Temporary structural bracing installed prior to café demolish works. It may be more cost effective to demolish and rebuild the WC block.
Option 5: Close and demolish the existing café building, but maintain the existing WC Block	The existing WC block which requires some repair works will require structural bracing whilst the existing main café building is demolished, and a new gable wall constructed to maintain the stability of the WC block.	Temporary structural bracing installed prior to café demolish works and construction of new gable end wall.

Project Estimates

6 Project Estimates

To give guidance on the potential costs for the proposed options for the Rose Garden Café, an outline cost estimate of the refurbishment or replacement works has been undertaken on the six options presented in Section 4.

The overall project costs have been split into four sections based on Construction, Fees, Surveys and Contingency budget costs. These are based on the current known information and condition of the existing Rose Garden Café.

These Stage 1 estimated costs vary from option to option depending on the level of facilities provided and length of construction works. Options 1 and 5 result in the loss of a café facility, whilst Options 2A, 2B, 3 and 4 provide a café facility but vary in their delivery timeframe due to the extended programme of works associated with complicated refurbishment works for option 2A and 2B. It is considered that options 3 and 4 will be a more straight forward construction process.

	Options					
	1	2A	2B	3	4	5
	Secure and make site safe (2)	Structural Stabilisation and full Refurbishment	Structural Stabilisation and Internal Refurbishment of Café only (10)	Demolition of existing café and provision for a MMC café facility	Demolition of existing café and provision for a traditional built café facility	Demolition of existing building and site clearance only
Construction Costs (excl design and price risk) (£)	85,000.00	1,066,000.00	555,000.00	986,000.00	1,046,000.00	100,000.00
Design Risk (£) (8)	0.00	134,000.00	69,000.00	74,000.00	78,000.00	5,000.00
Price Risk (£) (9)	0.00	160,000.00	83,000.00	120,000.00	126,000.00	5,000.00
Construction total (£)	85,000.00	1,360,000.00	707,000.00	1,180,000.00	1,250,000.00	110,000.00
Direct costs (£) (4)	0.00	30,000.00	30,000.00	40,000.00	40,000.00	10,000.00
Professional Fees (£) (5)	5,000.00	210,000.00	110,000.00	150,000.00	160,000.00	10,000.00
Contingencies (£) (7)	5,000.00	190,000.00	64,000.00	110,000.00	110,000.00	7,000.00
Total (£)	95,000.00	1,790,000.00	911,000.00	1,480,000.00	1,560,000.00	137,000.00

Notes

- 1) VAT is excluded
Option 1 includes for 6 months of hire for the existing scaffold and building support
- 2) only.
- 3) Option 2a assumes 52 weeks on site; option 3 assumes 26 weeks on site; option 4 assumes 44 weeks on site; option 2b assumes 34 week on site.
- 4) Direct costs for options 2-4 and 6 are an allowance for geotechnical surveys, ecology surveys, tree surveys, building regulation fees, planning permission fees, BT and data connections. For options 3-4 there will be additional topographical surveys. Option 5 covers ecology and potential ground condition surveys
- 5) Fees are based on 5% of construction value for option 1 (arranging quotes, checking services capped off, arranging payment), 15% of construction value for option 2a and 2b, 12% of construction value for options 3 and 4, and 10% of construction value for option 5. The relative percentages included are based on the anticipated design work required for each option and include allowances for Architect, Structural Engineer, Service Engineers, Project Manager and Cost Manager input from RIBA Stage 2 design to completion on site, including procurement, tendering and contract preparation.
- 6) Further to note 4, the costs for completing this option appraisal are excluded from all options.
- 7) The contingencies for option 2a are based on a priced risk register. Options 3, 4 and 2b are based on approximately 7.5% of the remaining project costs, whilst options 1 and 5 are based on approximately 5% of remaining project risks, which is an assessment of the relative risks associated with each option.
- 8) Design risk allowances have been included as follows: 0% option 1, 12.5% options 2a and 2b, 7.5% options 3 and 4, 5% option 5. These allowances are based on an assessment of the risk of each option and have been rounded.
- 9) Price risk allowances have been included as follows: 0% option 1, 15% options 2a and 2b, 12% options 3 and 4, 5% option 5. These allowances are based on an assessment of the risk of each option and have been rounded.
- 10) Option 2b is a reduced scope version of option 2a, with all works to the kitchen, toilets, external areas excluded. There is an allowance of approximately 50% of the M&E full refurbishment costs
- 11) Further to point 5, professional fees will be required to develop the designs and deliver the scheme, and would be applicable to any 3rd party were they to undertake the project. The allowances and percentages included are considered appropriate for the content of each option and consistent with industry standards.

Appendix 2

Prudential Borrowing Research

Prudential borrowing for restoration options

The estimated rental value provided in Table 1 below can be used to understand how much could be borrowed against each design option. The amount that can be borrowed is equal to any income generated over the income target for the café. Within the existing budget the income target is £50,000 (£30,000 base rent and £20,000 turnover). Table 1 provides calculations for how much can be borrowed for options providing a cafe. For option 2B (restoration with light touch internal refurbishment) the estimated rental value per annum is £60,000 meaning that £10,000 could be allocated towards repaying a certain borrowed amount. Based on a 40-year asset life (and repayment plan with 5% interest) a total of £198,000 could therefore be borrowed. The borrowing amount could be increased by reducing the income target or increasing the estimated rental value. Reducing the income target means less funds to maintain the Park and given the lack of funds for building maintenance it would be sensible to increase the income target to include a dedicated maintenance amount.

Prudential borrowing for replacement building options

A replacement building solution could be funded by prudential borrowing in combination with a long-term commercial development agreement with an operator. The agreement would need to include a base rent commitment totalling the income target plus the annual borrowing repayments. To borrow the £1.48m for Option 3, the repayment per annum (40 years inc. 5% interest) would be £74,925. The operator would need to commit to a 40-year agreement with a rent of £74,925 plus the café income target. An alternative would be to reduce the agreement duration (and repayment duration). If you reduced to 10 years, this would mean a base rent of £188,700 per year plus the café income target. An operator could also commit to contribute financially to the cost of the build reducing the amount borrowed in return for a rent-free period. At present, all these scenarios seem unlikely due to either the extent of the base rent and or the agreement duration being not aligned with the market.

Prudential borrowing calculations

Table 1 below provides a summary of prudential borrowing estimates for the design options.

Option	Amount needed to cover full capital cost of project Based on a 40-year asset life****		Estimated valuation figures ** Per annum			Amount that can be borrowed ERV – income target (£50,000)***		Shortfall to fund full capital cost of project	
	Total amount borrowed	Repayment per annum Including 5% interest	Base rent £ per annum	Top up based on estimated turnover	Total Estimated Rental Value (ERV)	Total	Per annum	Total	Per annum
2A	£1,790,000	£90,619	£37,500	£37,500	£75,000	£494,000	£25,000	-£1,296,000	-£65,619
2B	£911,000	£46,119	£30,000	£30,000	£60,000	£198,000	£10,000	-£713,000	-£36,119
3	£1,480,000	£74,925	£40,000	£40,000	£80,000	£592,000	£30,000	-£888,000	-£44,925
4	£1,560,000	£78,975	£40,000	£40,000	£80,000	£592,000	£30,000	-£968,000	-£48,975

*A tenancy-at-will is a precarious property tenure that can be terminated at any time and without a reason by either the tenant or the owner/landlord. It is an agreement personal to the tenant and does not specify the duration of agreement.

**Valuation figures are based on Stage 1 Options Report. Estimated turnover is based on the marketing and letting of other cafes across the Parks, in particular those that are also a destination location. Estimates currently provided are conservative.

*** Currently there is no ring-fenced amount that would be dedicated for building maintenance within the income target. A dedicated amount deducted from the borrowing would provide a stronger business case.

**** The borrowing calculations do not currently account for voids in the income - for example new tenant leading to closure for a period of time. Usually this could be accounted for by reducing the ERV by 5% annually.

Total estimated rental value for options 1 and 5 is nil as a café is not provided. For option 5 there is potential to offer site for mobile concession etc at say £15,000 per annum.

Appendix 3 Funding Sources Summary Table

Funding Type	Funding Source/Notes
Borrowing	Prudential borrowing offset by commercial income is an option for a restoration or replacement building solution. The Rose Garden Café borrowing estimates are relatively low value and therefore won't change the Council position too much. Further detail is provided in the main body of the report.
	No funds available in existing Council Parks or Facilities Management revenue budgets.
Capital Investment	Essential Compliance and Maintenance Fund is an existing Facilities Management fund that can be accessed to repair buildings on the estate. This fund only be used to make a building safe, in this case it could be use to either demolish or repair the existing building but not for any refurbishments to improve the building. Further detail is provided in the main body of the report.
	No new Council funds are currently available.
External bids (grant funding)	Grant funding can be accessed by SCC or the community stakeholders. An example fund is the Veolia Landfill Communities Fund (≤ £75k). There is an existing SCC bid in for this fund for improvements to one of Graves Park's playgrounds. Another example is the National Lottery fund who will fund projects that " <i>...can be anything from the past that you value and want to pass on to future generations...Designed landscapes – improving and conserving historic landscapes such as public parks, historic gardens and botanical gardens...</i> ". Age Sheffield were awarded £581,500 from the National Lottery Heritage fund to restore the derelict Grade II listed old Coach House building in Hillsborough Park. A further fund that could be accessed by the community to fund a restoration option is the Community Ownership Fund. To access this fund, the asset would first have to be transferred to the community. There is concerns that the recipient could have difficulty managing the asset.
Fundraising	There is an ongoing online fundraiser with 271 supporters and £8457 raised (as of 06 September 2023) started by the Friends of Graves Park. The campaign notes that the group aim to raise £25,000 through fundraising and a further £475,000 through grant funding.
Commercial lease agreement	Across café parks a commercial development agreement with an operator to fund/deliver refurbishment works in return for a rent-free period has been agreed.
Local Area Committee (LAC)	An allocation has been suggested by a ward Cllr but not formally approved – to be explored further.
Community Infrastructure Levy (CIL)	Possibility for CIL funding – to be explored further.