

30th May 2013

REPORT OF THE PORTFOLIO HOLDER FOR ECONOMY AND EDUCATION

TAMWORTH GOLF COURSE FUTURE OPTIONS

EXEMPT INFORMATION

N/A

PURPOSE

To update Members on progress since the Cabinet meeting on the 26/03/13 which approved the interim management of the Golf Course by the Council and authorised the initiation of a project to review the future sustainability options.

RECOMMENDATIONS

1. That Members approve the project outcomes and long list of options for appraisal in stage two of the project
2. That Members authorise the release of £50,000 from the general fund contingency budget to support the delivery of the project
3. That Members Authorise the Portfolio Holder Economy and Education in collaboration with the Portfolio Holder Community Development and Voluntary Sector to progress the project
4. That Members authorise the waiver of financial regulations in order to appoint FMG Consulting to support the second stage options appraisal process

EXECUTIVE SUMMARY

The Council has taken on the operational management of the Golf Course for a period of two years while in parallel considering the future options for the golf course. The Council has funded the subsidy (budgeted at £80k pa) required to operate the golf course together with the lost rental income (budgeted at £36k pa) from contingency budgets which is unsustainable in the longer term. Given the financial position of the Council it is imperative that the Council progresses a project to review the future options.

Since taking on the operation of the Course the Council has through a competitive pricing policy coupled with excellent customer services achieved 211 annual green fee members and has a regular number of pay and play golfers. However it remains to be seen if the summer season will achieve the level of income needed to hit our budgeted targets. The Council has improved the course with regular mowing and additional sand for the bunkers. The Council has also set about the remedial course works which are of a good standard and being well received. Essential maintenance is being completed at the club house and the ground floor of the club house will be available for use by customers soon. Staff have been recruited to the new positions and this will allow the Sports Development team to refocus on their substantive roles. It should be noted that the Sports Development Team have been proactive and positive throughout the process and have provided excellent customer service in difficult circumstances.

Alongside the work to operate the course officers have in consultation with the Portfolio Holder initiated work streams to progress the Golf Course Future Options project. The purpose of the project is to review the Golf Course as a public asset and to determine what is the best option when considered against our strategic needs.

The project will be led by the Portfolio Holder for Economy and Education in collaboration with the Portfolio Holder for Community Development and Voluntary Sector. Officer support will be provided by the Director for Communities Planning and Partnerships and Director of Assets and Environment. The Portfolio Holder Economy and Education will have regular meetings with the Leader of the Opposition (or their nominated representative) to consult on the progress of the project. An officer working group will be established to undertake the project and this will be supported by external consultancy to provide additional capacity and specialist advice. The project will report to Cabinet on each stage seeking approval and endorsement.

The project has been divided into three stages;

- 1) Needs Assessment – April 13 to June 13
- 2) Options Appraisal – June 13 to January 14
- 3) Implementation – January 14 to March 15

Community and user engagement

The project will seek to include residents and customers in the review. This will be done through;

- Regular meetings with the Golf Club Committee
- Customer surveys and/or focus groups
- Non users surveys and/or focus groups
- Appropriate media and public communications

Stage 1 Needs assessment

The needs assessment stage is currently being completed and has reviewed the key strategic needs for the Council based on a high level review of existing strategic documents and assessments. Appendix A provides a report summarising the Needs Assessment.

The needs assessment stage has identified a number of key outcomes for the Golf Course Future Options Project to deliver on.

Priority	Project Outcome	Draft Weighting
1.	Potential for and likely level of contribution to the Council’s annual revenue deficit from 2016/17 onwards.	20%*
2.	Contribution to economic regeneration and growth in the Borough (including the provision of new housing development).	15%
3.	Potential for the option to generate a capital receipt for the Council and likely level of capital receipt.	15%
4.	Promotion of exercise and healthy lifestyles and contribution to increasing participation and reducing obesity.	15%
5.	Ability to meet the leisure needs of the Borough’s residents and the Council’s wider vision / strategy for sport and leisure provision.	15%
6.	Cost and timescales of implementation and level of risk involved / likelihood of delivery.	10%*
7.	Contribution to the delivery of the Council’s environmental and sustainability objectives including protecting green and blue spaces.	10%

More specific evaluation criteria under each heading will be required to help assess the options.

*** Items 1 and 6 on the outcomes list have been highlighted as key criteria and options that score low in these elements may be unsuitable to implement given our key constraints – time and money.**

The following long list of options will be reviewed under stage two of the project.

Options appraisal – long list

The options are split between physical development options and management options.

- **Physical development options:**

- Option A – retention of 18-hole golf course (status quo);
- Option B – retention of 18-hole golf course, plus development of ancillary provision (clubhouse / health & fitness gym / complimentary leisure facilities);
- Option C – disposal of front 9 holes for development, with retention of back 9 holes;
- Option D – disposal of front 9 holes for development, with retention of back 9 holes plus development of ancillary provision using part of any capital receipt (clubhouse / health & fitness gym / complimentary leisure facilities);
- Option E – disposal of back 9 holes for development, with retention of front 9 holes;
- Option F – disposal of back 9 holes for development, with retention of front 9 holes plus development of ancillary provision using part of any capital receipt (clubhouse / health & fitness gym / complimentary leisure facilities);
- Option G – part disposal of site, retention of 18-hole golf course through remodelling of holes to reduce land-take;
- Option H – part disposal of site for development, but retention of 18-hole golf course through purchase of additional land adjacent to eastern boundary of the course and re provision of lost holes;
- Option I – complete disposal of entire site to generate capital receipt to be utilised for wider strategic aims such as the development of a new leisure centre or other regeneration schemes in the town centre.

- **Management options:**

- Option 1 - Continued in-house management of the golf course;
- Option 2 - Outsourced management of the golf course via a lease / management contract;
- Option 3– set up of a local social enterprise management vehicle (Company Limited by Guarantee / Charitable Incorporated Organisation / Community Interest Company).

RESOURCE IMPLICATIONS

There are significant resource implications associated with this project. As stated the Golf Course costs are unfunded from April 2015 and given the Councils funding constraints it is unlikely to be in a position to subsidise golf in the future. Therefore the future options project needs to identify a financially sustainable future option for the course.

The project will draw on existing officer time and also require a project budget to fund specific pieces of work. The project methodology has been established to balance the need for a robust project against the amount of available resource. The methodology outlined in this document is considered proportionate.

Stage 1 Needs	FMG - Needs assessment consultancy support	£2,000
	MyTime Golf -Spatial assessment	£2,000
Stage 2 Options	Options appraisal support (FMG)	£8,000
	Legal advice	£1,000
	Master planning and development options support	£15,000
	Public Consultation	£5,000
Stage 3 Implementation	To be determined by option selected (estimated)	
	Tender and procurement support	£15,000
	Legal advice	£2,000
Total		£50,000

This report seeks the release of £50k from the general fund revenue contingency (from the current balance of £150k) to support the delivery of the project. The budget is indicative and actual amounts are subject to change based on the requirements of the project.

The report also seeks the waiver of financial regulations to appoint FMG consulting to support the second stage options appraisal (£8k). The waiver can be justified because:

- FMG have previously worked with the Council and have a good track record in producing quality support;
- They are able to bring existing knowledge and insight;
- FMG have previously been awarded work following a competitive process; and
- A tender or quotation process would result in time delays and is unlikely to yield any significant saving.

LEGAL/RISK IMPLICATIONS BACKGROUND

There will be significant legal risk involved in the process specifically at the implementation stage. These risks will be determined by the nature of the option selected but good project management and consideration of future implications can be used to help mitigate such risks. Specialist legal and procurement advice will be sought at the appropriate stages. There is also a significant risk to the Councils reputation and this will be managed by operating a transparent process with appropriate communication and consultation with stakeholders and the public.

SUSTAINABILITY IMPLICATIONS

There are clearly sustainability issues arising from the options which are to be addressed and considered by the project and in the decision making process.

REPORT AUTHOR

Robert Mitchell – Director Communities Planning and Partnerships

LIST OF BACKGROUND PAPERS

Cabinet 26/3/13

APPENDICES

FMG – Needs Analysis

This page is intentionally left blank