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<b>Report to:</b> Cabinet	<b>Date of Meeting:</b> 25 April 2013
<b>Subject:</b> Update on Management of Bootle Golf Course	
<b>Report of:</b> Director of Street Scene	<b>Wards Affected:</b> All
<b>Is this a Key Decision?</b> Yes	<b>Is it included in the Forward Plan?</b> No
<b>Exempt/Confidential</b>	No

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### **Purpose/Summary**

To update Members on the recent changes in management of Bootle Golf Course and to seek approval for management arrangements by the Council on an interim basis.

### **Recommendation(s) That**

1. The course be maintained by the Council at a basic playable standard until a further decision is made on longer-term arrangements.
2. The fees and charges be maintained at the existing rates and the Director of Street Scene in consultation with the Cabinet Member Children, Schools, Families and Leisure be given delegated powers to adjust the fees and charges if necessary, to respond to market forces
3. It be noted that there is no budget to accommodate the forecast potential financial shortfall which might result from the interim management arrangements.  
If this shortfall cannot be contained within the overall Landscape Services budget, then any shortfall will need to be met by the use of one-off reserves.
4. It be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regeneration and Environmental Services) had been consulted under Rule 26 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because formal arrangements for management of the golf course, the budget for its operation, and the fees and charges which are to be applied, need to be agreed urgently to enable the course to continue to operate. The item was not included on the Forward Plan because the need for the report and accompanying decisions is a result of the liquidation of the previous lessee, and this was not known when the Forward Plan was published.

**How does the decision contribute to the Council's Corporate Objectives?**

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability	√		
4	Health and Well-Being	√		
5	Children and Young People	√		
6	Creating Safe Communities	√		
7	Creating Inclusive Communities	√		
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

**Reasons for the Recommendation:**

To continue the interim provision of a golf course in Bootle for the local community, whilst trying to minimise costs for the Council.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

It is estimated that the operating costs of the interim arrangements could be in the region of £275,000 with an initial estimate of income from fees and charges of £250,000 (ie a potential net cost of £25,000) for which no budget exists. In addition the existing budget includes an estimate of £35,000 for income from the former lessee which will not be achieved. Based on initial forecasts there is therefore a potential for the current budget to be exceeded by £60,000 in 2013/14, until such time as alternative management arrangements can be put in place. Initially, any underspends identified against the 2013/14 Landscape budget would be used to mitigate the effect of the shortfall. Should this prove impossible, then any shortfall will need to be met by the use of one-off reserves.

**(B) Capital Costs**

It is not currently proposed to carry out any Capital works; health and safety related improvements will be carried out under Repairs and Maintenance as part of the revenue costs.

## Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal</b> None	
<b>Human Resources</b> None	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

## Impact on Service Delivery:

There will be no impact on delivery of the remainder of the Parks and Greenspace Service.

## What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 2234/13) and Head of Corporate Legal Services (LD 1550/13) have been consulted and any comments have been incorporated into the report.

## Are there any other options available for consideration?

The only other immediate option would be to close the facility on a temporary basis, which would carry the risk of damage and abuse to the unsecured site, loss of members / players, reputational loss to the Council, and a significant loss of potential income. The Council's land management responsibilities and therefore potential liabilities would remain. Longer-term options are being assessed and will be presented to Cabinet for consideration in due course.

## Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet/Cabinet Member Meeting

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## Background Papers:

There are no background papers available for inspection.

## **Introduction/Background**

- 1 Fairways Investments Ltd, the company who leased and managed Bootle Golf Course, went into voluntary liquidation in February 2013. The lease was disclaimed back to the Council on 6<sup>th</sup> March 2013.
- 2 Landscape Services have now taken responsibility for managing the course on an interim basis, until further decisions are made by the Council regarding the long-term management of the facility.
- 3 Upon disclaimer of the lease, the Council responded promptly and re-opened the course for play on the 8<sup>th</sup> March.

## **Issues on Take-Over**

- 4 Officers have inspected the facility, including the amenities, buildings and the course itself, to assess any Health & Safety or operational concerns, and are resolving any significant issues so that the Council can maintain the course as a 'pay and play'.
- 5 The condition of the main clubhouse building is very poor, and assessments have been carried out to determine which parts of the building can be safely used without presenting an unacceptable liability to the Council.
- 6 The course itself is also currently in poor condition, and along with the other facilities on site, would require a very significant capital investment to bring it up to modern standards.

## **Interim Management of the Golf Course**

- 7 Some initial works have been undertaken quickly to ensure that the course can reopen safely and functionally as early as possible. One wing of the building has been made safe to allow access for male and female toilets, and the rest of building has been isolated. Security alarms have been checked and revised
- 8 Initial grounds maintenance works, including preparing greens and moving holes have taken place to provide a functional course from the start of the season.
- 9 It is proposed that, while further discussions about the future management of the course continue, the Council maintains the course to a 'basic playable standard', i.e. to a similar standard (or hopefully slightly better) than it has been maintained by the previous company, without the Council having to commit any significant financial resources other than for routine golf-course maintenance, health and safety related work, and minor improvements which may increase the short-term income.
- 10 The grounds maintenance of the course is being undertaken by the Council's Parks Maintenance Contractors, The Landscape Group.

- 11 The bookings and the day to day operation of the course are currently being managed on an emergency short-term basis by staff from Parks and Greenspace and Sports and Recreation.
- 12 It will be necessary in the near future, however, to review the staffing required to run the operation in the interim period; the cost of this has been allowed for within the projected shortfall.

### **Fees and Charges**

- 13 A comparison of the fees and charges which had been applied by Fairways Investments Ltd in 2012/13 has been made with other local municipal courses. The costs for Bootle are broadly comparable, with some courses being cheaper than Bootle for certain equivalent charges and vice versa. On average, Bootle is around 9% cheaper than Southport. However, the condition of the course is poor, facilities are poor (or absent), and takings by the previous operators from both Contracts and Pay and Play have reportedly decreased markedly over the past year.
- 14 Because of these limiting factors, it is proposed to maintain the fees and charges set by the previous operator at the 2012/13 rates, with the option of re-assessing them as and when necessary to respond to market conditions and maximise income for the Council (subject to the constraints outlined above). It is requested that the Director of Street Scene in consultation with the Cabinet Member - Children, Schools, Families and Leisure be given delegated powers to adjust the fees and charges if necessary, to respond to market forces.
- 15 Approximately 100 people had contracts with Fairways Investments Ltd, which allowed them to play the course for a pre-paid sum, until the end of March 2013. These contracts were honoured by the Council until that date.
- 16 Users of other Council-run leisure facilities in Sefton (including Southport Golf) benefit from concessionary rates if in possession of an Active Choices Membership. If appropriate, this will be extended to pay and play and Bootle Golf Course.

### **Budget**

- 17 There is currently no budget provision for the management of Bootle Golf Course.
- 18 The Council has received unconfirmed verbal information about the turn-over of the Bootle Golf Course operation during previous years. It is understood that both pay-and-play and contract numbers have decreased markedly over the past two years, due to the poor condition of the course compounded by very wet weather in the peak playing season.
- 19 The lack of accurate available information about the trends of income and player numbers (and the weather-dependant nature of the sport) mean that it is not possible to predict accurately what the end of year out-turn will be at this stage.
- 20 However, using anecdotal information obtained about the income from the previous operation, and the estimated costs of staffing, maintenance, health and

safety works, operating costs etc, it is considered that the Council can operate the course, in the short term, at a net cost equivalent to £25,000 in a full year. Based on this figure, together with the loss of rent from the previous lease-holders (for which £35,000 is currently included in the budget), the projected spend in 2013/14 would exceed budget provision by £60,000. However, every effort will be made to minimise costs to the Council and to maximise income from users.

- 21 This estimated increased financial commitment of £60,000 in a full year will need to be contained within the Council's overall resources for 2013/14. As departmental budgets for both 2013/14 and 2014/15 have already been set, this additional commitment will be met from any under spends that may arise elsewhere within the Landscape Services budget. Should this prove impossible, then any shortfall will need to be met by the use of one-off reserves.