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**Report to:** Cabinet **Date of Meeting:** 10<sup>th</sup> October 2013

**Subject:** Future Investment, Development and Management at Southport and Bootle Golf Courses

**Report of:** Director of Street Scene **Wards Affected:** All

**Is this a Key Decision?** Yes **Is it included in the Forward Plan?** Yes

**Exempt/Confidential** No

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**Purpose/Summary**

To seek Cabinet approval to carry out soft market testing regarding the future investment, development and management of the Council-owned golf courses at Southport and Bootle

**Recommendation(s)**

That the Cabinet approves the undertaking of a soft market testing exercise, to help identify and consider options available for the future development and management of the Council-owned golf courses at Southport and Bootle.

**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 investigate potential future options for managing and developing Southport and Bootle Golf Courses.

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

### (A) Revenue Costs

Advertising costs (estimated £1,000) will be charged to the operational budgets for the golf courses.

### (B) Capital Costs

There are no direct financial implications. However one of the future options for the Council to consider for the two courses and their associated facilities may be to involve the private sector in investing in their development and management. This may help to secure greater physical improvements, and a better service for users than the Council is able to offer on its own

### Implications:

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

<b>Legal</b>	Any future formal procurement exercise will need to be in accordance with OJEU /Public Contracts Regulations Procedures	
<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:

The market-testing exercise will be accommodated within the existing work programme for Parks and Greenspace Services.

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

The Head of Corporate Finance & ICT Strategy (FD2521 ) has been consulted and notes the report indicates

1. Estimated revenue costs (£1,000) can be met from existing budgets
2. The study may identify potential for partnership with the private sector to bring about capital investment. The Council alone has very limited potential considering the current economic climate.

The Head of Corporate Legal Services (LD 1826/13) has been consulted and comments have been incorporated into the report

**Are there any other options available for consideration?**

No; the purpose of the market testing exercise is to determine what the potential options are.

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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**Background Papers:**

None

## **Introduction/Background**

1. Cabinet (25 April 2013) received a report on Bootle Golf Course, updating Members on the recent changes in management, and seeking approval for management arrangements by the Council on an interim basis.
2. Both Bootle and Southport Golf Courses are currently managed by the Council.

## **Southport Golf Links**

3. Southport Golf Course itself is in good condition. An investment strategy (which expired in 2011) saw many significant improvements to the course that have improved the playing experience and reduced the times when the course is closed due to waterlogging.
4. However the rest of the offer (i.e. café, clubhouse, changing rooms, pro shop etc) is generally poor. The building infrastructure is in need of capital investment and revised management arrangements. At the moment the café building is leased out, the onsite booking of the course is contracted out and there is a mix of responsibilities for repairs and maintenance across all the buildings.
5. Income and pay-to-play numbers have been steadily increasing over the years, although there was a sharp reduction last year, possibly due to the poor weather. Membership of the resident clubs has also declined recently.
6. There is potential for an improved customer offer in terms of café / changing room provision, course entrance, car parking, site security etc.
7. There is also potential to expand the golf offer and increase the income, by providing a driving range on the adjacent under-used Fairways Park and Ride site. There are no other such facilities in the area accessible to the general public.

## **Bootle Golf Course**

8. Bootle Golf course was returned to the management of Sefton Council in March 2013. Prior to this, the course had been managed by a private operator, who went into liquidation. The course is open to the public and receiving operational interim management by the Council.
9. The actual layout of the course itself is considered to be very good; however, it is in a poor to basic condition. The built facilities, including the pro-shop and clubhouse are poor. There are derelict areas to the rear of the clubhouse, which occupy a very visible location adjacent to a busy road junction. It is therefore clear that both the course itself and especially the built facilities could be improved.
10. While there has been a national trend of fewer people playing golf in 2012 (in part attributed to the wet summer), Bootle Golf course in particular has (anecdotally) seen a significant drop in players, and therefore income. It is likely that this is a result of the lack of investment, and poor quality of maintenance, as well as the wet summer.

11. There is potential for a much improved customer offer in terms of café / changing room provision, course entrance, car parking, site security and the course layout (particularly some of the areas which have been recently redesigned). There is also potential for providing a driving range, on a mounded area which was constructed for that purpose by the previous operators. In addition, the derelict tennis courts and club house could be redeveloped to provide complementary facilities.

### **Potential for Private investment**

12. There is currently no Council capital funding identified to upgrade the golf facilities, and the potential for this may be very limited considering the current economic climate.
13. One of the future options for the Council to consider for the two courses and their associated facilities may be to involve the private sector in investing in their development and management. This may help to secure greater physical improvements, and a better service for users than the Council is able to offer on its own, and may also lead to increased profitability for the Council.
14. The economic and environmental benefits may in turn also help in the regeneration of the wider area, both at Southport and at Bootle
15. There are a variety of potential business models which could be adopted, including a public / private partnership arrangement and profit sharing; private development on part of the site/s; or longer-term leasing of the sites to a private operator.
16. In practice there may be a lot of different ideas and proposals from potential partners.
17. In order to establish what level of interest there is likely to be within the private sector, it is proposed to carry out a soft market-testing exercise. This will assist the Council in identifying what options are available to it, and help inform its decision about which further course of action to follow.

### **Market-Testing Process**

18. A brief has been prepared and explains the background, and the intention to investigate the potential for some form of golf-related management / development on both sites. The brief has been left 'open' in order not to stifle or unnecessarily constrain the resulting ideas / proposals.
19. The brief does however stipulate some fundamental requirements that any proposals should meet, namely:-

The courses should:-

- Receive investment and provide an improved 'golf offer'
- Continue to offer pay and play opportunities
- Continue to be publicly accessible
- Offer reasonable prices that the public can afford
- Be accessible to all members of the community

- Serve to introduce people to the game
  - Act as a catalyst for regeneration of the area.
20. The Council will not be committing itself to enter into any legal relationship with those responding to the market testing exercise, and the process is merely an invitation to receive proposals and ideas, which would then be further explored
  21. On return, the submissions will be assessed internally in order to recommend a preferred course of action, or series of options to Cabinet Member / Cabinet.
  22. This may result in any offer not being considered further, or may result in the Council contacting one of more specific bidder to pursue ideas further.
  23. Once ideas have been firmed up, it may be necessary to undertake a formal tendering /preferred bidder exercise , which may then be subject to EU procurement regulations.
  24. It is intended to undertake the market testing exercise via The Chest, Sefton's procurement portal in November, following the call in period. To encourage a good response, signposting adverts will be placed in appropriate golf-related press and other relevant publications. Prospective partners will be allowed 6 weeks to return their expressions of interest.

#### **Stake holder involvement**

25. The various clubs and stakeholders for both sites have been advised of the market testing proposal and will be kept updated on the proposed process.