

Report To:	Cabinet	Date:	19 th January 2017
Heading:	CONSIDERATION OF BUDGET CONSULTATION FEEDBACK AND PROPOSALS IN RELATION TO SELSTON GOLF COURSE		
Portfolio Holder:	CLLR TIM BROWN - ENVIRONMENT		
Ward/s:	SELSTON		
Key Decision:	Yes		
Subject To Call-In:	Yes		

Purpose Of Report

The net operating cost of Selston Golf Course is approximately £63k p.a. The Council has made a number of attempts to reduce this subsidy and increase the local customer base but unfortunately the subsidy has remained fairly stable. Efforts have also previously been made to identify alternative providers for the site. In the current financial climate, with resources continuing to reduce, the current position is untenable. Working with Selston Parish Council, a proposal to explore the identification of an alternate commercial partner has commenced, consideration of which was incorporated into the recent budget consultation exercise. Given the identification of an alternate provider is not guaranteed, an alternate option was also put forward to close the golf course and turn the site into a community park should no new provider be found. The consultation responses were fairly evenly split between both options and accordingly this report seeks approval to work with Nottinghamshire County Council (as site owners) on identifying any alternate providers would like to take over the site, and facilitating an appropriate deal between them. Given the ongoing costs associated with the site, and the untenable nature of the current situation, it is also proposed that should sufficient progress not be made in any negotiations or agreements by 31st March 2017, that approval is given to close golf course and café, and turn the site into a community park.

Recommendation(s)

1. To formally advise Nottinghamshire County Council that Ashfield District Council would be prepared to surrender its lease for the site should an alternate provider be found who would like to enter a new lease with the County Council, or purchase the site out right.
2. To support Nottinghamshire County Council in identifying any alternate interested parties in the site and assisting in the development of any new agreements as required.
3. To authorise that should it be necessary to facilitate recommendation 1 and 2, the lease with the County Council for the site known as Selston Golf Course can be surrendered.
4. To confirm that should sufficient progress in both identifying and reaching agreement with a new provider not have been made by 31st March 2017 that the golf course and

- café will be closed and the site turned into a community park
5. To acknowledge the human resource and financial implications of this decision.
 6. To ensure timely and effective decision making, to delegate authority to the Service Director – Place and Communities, in consultation with the Portfolio Holder Environment, to determine whether the threshold for ‘sufficient progress’ has been met and to decide at which point recommendation 3 should be enacted. This also includes a decision as to whether the building and porta cabin should be removed from site.

Reasons For Recommendation(s)

Selston Par 3 golf course is a well maintained facility but despite efforts to improve profitability, it continues to require a significant subsidy, which means the costs of operating the site remains approximately £63k p.a

Public funding has been under significant pressure for many years and that pressure makes the current situation untenable. The proposal set out above provides positive options for addressing this issue.

A recent budget consultation found that the views of respondents were fairly evenly split and there was no clear preference for either.

The site is leased to Ashfield District Council but owned by Nottinghamshire County Council and therefore any decision to lease to a new provider must be taken by the County Council. The report enables Ashfield District Council to formally advise the County Council of our support for any new arrangement they may come to. Naturally there is no guarantee an alternative provider may be found and as such it is appropriate to set out a timescale within which progress must be seen otherwise the Council will need to act unilaterally to ensure the budget subsidy can be reduced.

A significant proportion of respondents indicated they would support the transfer of the site to a community park and although it would mean the loss of a well maintained golf course in the area it has the potential to open up the site to a greater number of recreational purposes and increase the usage of the green space.

Alternative Options Considered (With Reasons Why Not Adopted)

1. To keep the service as is. This has been rejected because of the need to reduce expenditure in line with the Medium Term Financial Strategy.
2. To handover the golf course to a commercial 3rd party provider. The covenants in the lease signed with County prevent the Council from assigning the lease; hence the risk remains with the Council if another party were to sub-let the golf course.

Detailed Information

Selston Par 3 golf course is situated on the site of the former New Selston Colliery which was sunk in 1892, and contains a well maintained, 9-hole golf course with two croquet greens. It is maintained daily by a Green Keeper directly employed within the Environmental Services Team. The golf course also contains a café which is operated by Council employees.

The café, which takes payment for golf 'pay and play' along with monthly membership subscriptions and serves hot food and soft drinks, has not improved its financial position over a number of years despite efforts to do so. With a café across the road offering direct competition, efforts have been made to reinvigorate the sales by updating menus and implementation of a marketing plan. However, these efforts proved to be unsuccessful with the net financial deficit of the site and related maintenance costs still reaching over £60k. Membership subscriptions at the site, which have the potential to bring in more stable income, have significantly dropped since 2011 and majority of customers are now casual users.

The Council's recent budget consultation found that 56% of respondents who expressed a preference favoured the option to hand over to an alternative provider whilst 44% favoured the option to turn the course into a community park.

The golf course cafe is one of 6 cafes on parks or green spaces in Ashfield. In recent years the Council has outsourced 5 of the cafes to either community groups or private operators. Efforts have previously been made to try to outsource the golf course but have proved to be unsuccessful.

The golf course site is owned by Nottinghamshire County Council (NCC) and operated by Ashfield District Council under the terms of a lease. The Council's lease, which runs until 1 April 2029, cannot be unilaterally surrendered by the district council and has limited flexibility with regards to considering other options.

Should an alternate provider be identified it may be attractive to Nottinghamshire County Council to agree new terms with them, or even sell the site. This is a matter for the County Council but Ashfield District Council will do what it can to facilitate any opportunities there may be to explore this further.

The daily maintenance of the golf course is carried out by 0.7 FTE Greenkeeper on a grade D. The operation of the café is undertaken by 1.8 FTE Catering and Outdoor Recreation Assistants at grade B with 2 part-time staff currently employed at 18.5 hours per week there are 2 vacant posts of 10 and 15 annualised hours to cover the increased summer demands.

Selston Golf Course and Café Finances

The typical annual costs associated with the operation of the golf course are as follows:

Lease fees	£ 0.7k
Building maintenance service/testing costs	£ 6.5k
Café operating costs	£ 19k
Grounds maintenance materials	£ 7k
Machinery contract hire and purchase	£ 7.5k
Staff costs	£ 60k
Total running costs	£100.7k
Minus income from sales and golf	-£38K
Total net budget deficit	-£62.7k

Saving if lease surrendered

This table sets out the trading position of the golf course, however the potential saving achievable, should the County Council release Ashfield from its lease would be

approximately £70k. This is because assuming the new provider maintained a golf course on site, the green keeper would TUPE over to the new provider and the full cost of their salary and on costs would be saved (rather than just 0.7 FTE).

Saving if golf course closed and turned into community park

If, however the Council is not released from the lease, and the site is turned into a community park, the following savings would be delivered:

Reduction in staff costs	£65k
Reductions in machinery required	£5k
Reduction in maintenance materials	£5k

The maintenance of the community park would be absorbed into the duties of the remaining area team members and there would be some residual budget allocated for maintenance materials and machinery requirements.

The above savings would be offset by continued payment of the annual lease fee (£0.7k) and the building maintenance service and testing costs (£6.5k).

Therefore the total saving achievable for this option would be £68k

To realise the full saving possible, demolition of the café building and removal of the porta cabin should be considered. The initial outlay for this option would be £30k for the demolition of the café building and £5k to remove the porta cabin building. For this £35k investment the Council would save a further £8.5k per year. It is proposed that a decision as to whether this is appropriate is taken by the Service Director – Place and Communities, in consultation with the Portfolio Holder – Environment once the future of the golf course is decided.

Human Resources

If the golf course is handed over to a third party operator TUPE would apply. If this does not happen and the golf course is closed and turned into a community park then the Council's Restructure and Redundancy policy will be used, but 1 FTE Green Keeper and 1.8 FTE Catering and Outdoor Recreation Assistant posts would be deleted. There are currently two vacancies within the Catering and Outdoor Recreation Assistant establishment.

Implications

Corporate Plan:

The Place and Communities theme within the Council's Corporate Plan, commits to creating a greener Ashfield. Improving the environmental sustainability of the district is a vital aspect in doing this. This project seeks to reduce the impact of what we do on the environment by minimising waste and recycling more.

Legal:

The terms of the Lease, as set out in the report, limit the options available to the Council. The Legal Team will provide advice and assistance as appropriate as the recommendations are implemented.

Finance:

This report is effective from 19/01/2017 and has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	<p>If the lease was surrendered, and the site was handed over to a new operator, the saving would be approximately £70k p.a.</p> <p>If the Golf course was closed and became a Community Park, then the saving would be around £68k p.a.</p> <p>Should the café be demolished this would reduce the effective saving by the cost of completing the work (£35k) less additional savings (£8.5k) in the year of completion.</p>
General Fund – Capital Programme	None
Housing Revenue Account – Revenue Budget	None
Housing Revenue Account – Capital Programme	None

Human Resources / Equality and Diversity:

Depending on the option chosen there are either TUPE or redundancy implications which will need to be fully considered as any proposals develop. At this stage it has not been possible to fully evaluate these but this will be undertaken as the proposals emerge.

Other Implications:

GMB and Unison recognise and support the need to make financial savings, Both Unions hope that management work with them to ensure they avoid the need for compulsory redundancies.

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