



Report sponsor: Councillor Nadine Peatfield,
Cabinet Member for City Centre, Regeneration,
Culture and Tourism
Emily Feenan, Director of Corporate
Governance Property and Procurement
Report author: Colin Hayes, Asset Surveyor,
Estates and property Review

ITEM 9

Sinfin Golf Course – update and next steps

Purpose

- 1.1 To update Cabinet on progress with transferring operational responsibility for Sinfin Golf Course (SGC), to a new third-party tenant operator and to seek approval for the key decisions necessary to enable progress with the next steps of this project.

Recommendation(s)

- 2.1 To note that the current tenant of SGC wishes to surrender its lease of the golf course on or before 31 August 2024 and that the Council has appointed specialist agents to undertake a comprehensive marketing exercise to identify a new external operating tenant for the golf course.
- 2.2 To approve delegated authority to the Director of Corporate Governance, Property and Procurement, following consultation with the Section 151 Officer and the Cabinet Member for City Centre, Regeneration, Culture and Tourism to negotiate and enter into a new lease (and all necessary ancillary documentation) in respect of SGC.

Reason(s)

- 3.1 Sheffield City Trust (SCT), the current operator of SGC, has informed the Council that it wishes to hand back the operation of SGC by the end of August 2024 and therefore, the Council needs to identify a new operator for the course.
- 3.2 The approvals sought herein will allow the current marketing and bid process to progress to secure a new operator and allow the Council to put in place all necessary legal agreement to ensure continued operation of the course.

Supporting information

- 4.1 SGC has been leased to and managed by SCT since July 2015. The Council pays SCT an annual sum of £0.020m, towards the operating costs of the golf course.

- 4.2 SCT is an independent charity and currently runs most of Sheffield City Council's (SCC) leisure and entertainment facilities. SCC recently decided to re-tender the operation of its leisure facilities and in response SCT decided to withdraw from operation of SGC and informed the Council of their desire to surrender the lease of SGC by the end of August 2024 (See also 6.2 below)
- 4.3 The Council has been undertaking a process to identify a new operator for SGC and engaged HMH Golf and Leisure, a specialist in the marketing of golf courses, to market SGC and to advise the Council on the terms of a lease to be agreed with the new operator/tenant. HMH Golf and Leisure indicated that there would be external operators interested in the SGC opportunity and that assertion has proven to be correct.
- 4.4 The Council's preference is that the new lease will pass on responsibility for all repairs and maintenance of the golf course and associated buildings (including the building known as Cotton Farm, currently excluded from the SCT lease) and will also maintain the current arrangements under which Derby Golf Club operate from the site.
- 4.5 It is proposed that the Council will grant a long lease (>25 yrs.) to any potential operator, to give them sufficient time to facilitate investment in the golf course over the short, medium, and long term.
- 4.6 The new operator will be required to provide a:
- Pricing scheme that is consistent and aligned to local market rates ensuring that all sections of the community can access the facility. The scheme should offer both membership and per round prices.
 - Programme of use that meets the needs of all sections of the community.
 - Consistently high level of customer care that ensures all customers receive a high quality and enjoyable experience where inclusion in its widest sense is the norm.
 - Work in partnership with Derby Golf Club to maximise opportunities at the Course.
- 4.7 HMH Golf and Leisure commenced the marketing process at the beginning of December 2023 with final bids submitted on or before 7 March 2024. Six bids were received by the close date.
- 4.8 Bid will be evaluated by the Council during March/April, with the preferred bidder scheduled to be identified by the end of April.
- 4.9 Once a preferred bidder has been approved the process to negotiate and agree lease terms will be completed, and legal instructions issued to facilitate a new operator taking occupation towards the end of June/beginning of July 2024.

Public/stakeholder engagement

- 5.1 Stakeholder engagement has been undertaken with key partners, stakeholders (including Derby Golf Club and the current catering provider at the site), facility customers and relevant councillors.

- 5.2 An Equality Impact Assessment (EIA) has been undertaken. This will be kept under review and refreshed at appropriate points throughout the project. A copy of the copy of the EIA is detailed at Appendix 1

Other options

- 6.1 To bring the operation of SGC in-house. This option is not recommended as the operation of SGC has been outsourced for a number of years and the Council no longer has the resources or expertise in-house to facilitate the successful operation of the facility.
- 6.2 To refuse STC's request to surrender their lease of SGC six-years early and insist that they continue to operate the golf course until 2030 in line with the current contract and lease arrangements. This option is not recommended as it is known that STC are withdrawing from golf operations and therefore have no interest in continuing operations at SGC.
- 6.3 Furthermore, STC's withdrawal presents an opportunity to expand the scope of the lease to potentially now include Cotton Farm, therefore, reducing the Council's property liabilities. This would not be the case if SGC was brought back in-house or STC were forced to continue operation.

Financial and value for money issues

- 7.1 Whilst future levels of annual rent will be determined through the bidding/marketing process, the minimum expectation of the council is a peppercorn rent and no subsidy being requested. If achieved this would result in a £0.020m annual saving, which was included as part of the leisure options savings (£0.665m) in the MTFP. However, whilst market advice indicates that this is achievable it cannot be guaranteed and may impact MTFP in the future.
- 7.2 HMH Golf and Leisure, who are supporting the Council with procuring an external operator for SGC have stated that they do not expect the Council to pick up any mobilisation costs associated with either the transfer of the operational side of the transaction or from a property perspective as any bids would be expected to take account of any works/potential investment which a prospective bidder might consider necessary to facilitate the use of existing facilities.

Legal implications

- 8.1 The Council will enter into a lease with the new operator of SGC; the duration of which will be the subject of negotiation with the preferred bidder. Under the terms of the lease, the new operator will be responsible for all costs associated with the operation of SGC and for all repair and maintenance. There may also be certain operational requirements scheduled to the lease, but there is no expectation that a formal management agreement will be entered into between the Council and the new operator as it is considered that this would affect the commercial viability of the golf course to a new operator whilst affording the Council little in the way of additional benefit.

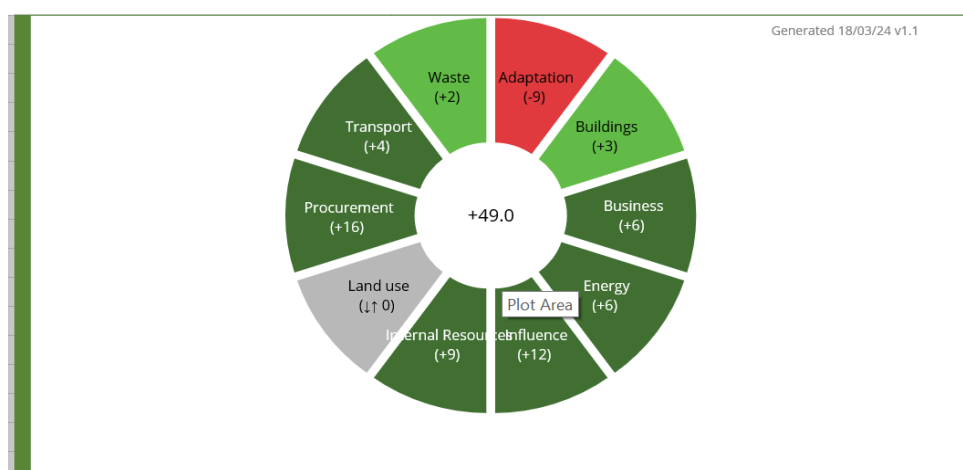
8.2 The new lease will require the new operator to:

- adopt a pricing scheme that is consistent and aligned to local market rates ensuring that all sections of the community can access the facility. The scheme should offer both membership and per round prices;
- deliver a programme of use that meets the needs of all sections of the community;
- deliver consistently high level of customer care that ensures all customers receive a high quality and enjoyable experience where inclusion in its widest sense is the norm; and
- Work in partnership with Derby Golf Club to maximise opportunities at SGC.

8.3 SCT is responsible for identifying if TUPE applies to the transfer of employees and in undertaking appropriate engagement with those employees and their representatives to fulfil their TUPE obligations.

Climate implications

9.1



9.2 There are potentially a number of opportunities for a new operator to impact positively on climate change either through their own work, or by working with and influencing others such as the Council.

Socio-Economic implications

- 10.1 The incoming operator for SGC shall deliver services in accordance with the aims of The Public Services (Social Value) Act 2012 through the delivery of wider social, economic, and environmental benefit.
- 10.2 The operator will be required to detail the level of social value generated by the services they deliver as part of any performance reporting requirement.

Other significant implications

11.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Emily Feenan	22 March 2024
Finance	Toni Nash	26 March 2024
Service Director(s)	Emily Feenan	22 March 2024
Report sponsor	Councillor Nadine Peatfield	22 March 2024
Other(s)	Duncan Cowie	19 March 2024

Background papers:	None
List of appendices:	Appendix 1 – Equality Impact Assessment