



Report sponsor: Steve Caplan Director of  
Property Services  
Report author: John Sadler Strategic Asset  
Manager

## **ITEM 08**

### **Allestree Golf Course**

#### **Purpose**

- 1.1 To inform the Communities Scrutiny Review Board of the process undertaken regarding the decision to close the Allestree Golf Course
- 1.2 To inform the Board of the Local Government Ombudsman decision in respect of the Closure of the Allestree Golf Course

#### **Recommendations**

- 2.1 To note the contents of this report

#### **Reasons**

- 3.1 To provide a briefing for the Board as to the background and process associated with the closure of Allestree Golf Course.
- 3.2 To inform the Board as to the decision of the Local Government Ombudsman in respect of a complaint they received regarding the closure of the golf course.
- 3.3 To inform the Board as to the decision of the Secretary of State regarding an application requesting him to use his powers under section 98 of Local Government, Planning and Land Act 1980 to direct the Council to disposal of the Allestree Park Golf Course.

#### **Supporting information**

- 4.1 Allestree Park is one of the Council's major parks. At 130 Hectares (320 Acres); it is the largest open space in Derby. It contains areas of both woodland and open space and Allestree Hall. Part of the park was used as a "pay and play" 18-hole golf course.
- 4.2 Allestree Hall is a Grade 2\* listed building located within the middle of Allestree Park. Due to its poor condition, the building is listed on Historic England's, "Heritage at Risk Register". The estimated cost of repairing the building is c£2.8m. This represents a reputational and financial risk for the Council.

- 4.3 Due to the Hall's location in the park, various facilities used to support the operation of the golf course, the park and other services are located within Allestree Hall itself and the adjoining outbuildings.
- 4.4 Therefore, any sale of Allestree Hall would require the relocation of the various facilities currently used to support the operation of the golf course.
- 4.5 The Hall was marketed for sale in 2018/2019 and as part of this marketing exercise the opportunity to operate the then operational adjoining golf course was offered to potential purchasers of the Hall, if desired.
- 4.6 Of the seven valid offers received for Allestree Hall, only two of the bidders expressed a serious interest in running the golf course. In respect of these two bidders apart from their bids in respect of Allestree Hall being less suitable than that proposed by the preferred bidder, one was discounted due to their poor financial standing and the other required the Council to take on all financial risks associated with running the golf course.
- 4.7 On 11 September 2019 Cabinet approved the sale of Allestree Hall and agreed that as the sale of the Hall would affect the operation of the Golf course they resolved to: -
- To consult with stakeholders regarding the potential closure of the golf course.
  - To undertake an Expressions of Interest Exercise (EOI) to provide an opportunity for third parties to set viable proposals to operate the golf course.
  - That if no viable proposal is received, the golf provision ceases and for the course to be decommissioned and absorbed into the existing parkland.
- 4.8 In addition, delegated authority was granted to various officers and lead members to agree the closure of the golf provision if no viable proposal is received.
- 4.9 The Cabinet report also proposed details of the terms on which the EOI exercise was to be based. These included the following: -
- The operator is to obtain the necessary consents, fund and construct any building or facilities required to support the operation of the golf course.
  - The operator to be responsible for undertaking full maintenance, management and operation of the golf course and any buildings and all associated costs.
- 4.10 It should be noted that the provision of golf courses is not a statutory requirement for the Council.
- 4.11 The consultation exercise was launched on 16 December 2019 and was open for 14 weeks, closing on 23 March 2020.
- 4.12 It was publicised on the Council web site and hard copies of the consultation document were available at the golf shop on site and at the local library.

- 4.13 The exercise generated 805 responses. The summary of the results is: -
- Three quarters of consultees (75%) believed that it was important to the local area that Allestree continued to have a golf course. This must be taken in the context that c65% of the respondents play or had played golf at Allestree.
  - Most people responding to the survey (80.2%) did not mind if it was the Council or other organisations that operated Allestree Golf Course if it is of a good standard
  - 246 participants commented that the golf course should be kept. This should be seen in the context that there was no objective justification as to how this could be achieved if there was no successful outcome from the EOI exercise.
  - 96 people commented that the golf course should be removed and returned to parkland.
- 4.14 The Expression of Interest Exercise (EOI) exercise was run in parallel to the consultation exercise, with the consultation document providing a link to the EOI process. This allowed a synergy between the two processes to be created.
- 4.15 The closing date for the EOI exercise was 23 March 2020, allowing the results from both exercises to be considered at the same time.
- 4.16 It should be noted that as this was a property transaction, it was not an award of contract, as such the Council's procurement regulations did not apply to this transaction.
- 4.17 As part of the terms of the EOI it was stated that the Council reserved the right not to accept any bid
- 4.18 The EOI was publicised on the Council Web site, the golf shop and at the local library, and a link was included in the consultation document. To provide exposure to the wider Leisure market it was advertised in the national Leisure Opportunities Magazine. The advert appearing both in hard copy and numerous times on their website and weekly e-mail bulletins
- 4.19 Four bids were subsequently received.
- 4.20 The bids received varied in quality, some providing either basic or incomplete financial information, whilst others were seeking a subsidy from the Council to run the course. Whilst one party did not specify an amount of subsidy required, it was inferred that support of the Council would be required as in their view "... the commercial returns and risks associated with operating a course in a public do not allow there to be a straightforward commercial investment opportunity. Growing the facility into new activities will require civic commitment."

- 4.21 In addition, there were unrealistic assumptions or omissions in the bids, relating to: -
- The failure to appreciate the time, cost, and resources to create new/replacement facilities considering the challenging planning environment associated with the Park.
  - Limited recognition regarding potential TUPE costs and issues.
- 4.22 The outcome of both the consultation and EOI exercises were subsequently considered by the Council's leadership team in August 2020 with the exercising of the delegated authority on 2 November 2020, leading to the following decision: -
- To note the results of the consultation exercise.
  - That no viable business proposals to operate the Golf Course have been submitted.
  - That the golf provision at Allestree Park to cease and for the course to be decommissioned and absorbed into the existing parkland.
  - The course to be closed on 31 December 2020.
- 4.23 After the deadline for submission of bids, and the decision to close had been made, following the publicity around the closure of the course, another party who was experienced in the managing and operating of several golf courses in the East Midlands came forward in late 2020 with a proposal to operate the course. Officers were subsequently authorised to evaluate the proposal.
- 4.24 The Council's leadership team following consideration of the bid on 14 January 2021 subsequently resolved that: -
- Not to proceed with the proposal submitted
  - Not to proceed with any other enquiries that may be received in connection with operating the golf course.
  - To confirm that the course can be decommissioned and absorbed into the existing parkland.
- 4.25 It should be noted that when informed of the outcome of his bid, the bidder stated that the viability of operating the course was becoming questionable!
- 4.26 The course was closed on 31 December 2020 and works to decommission it and incorporate into the existing parkland commenced early in 2021.
- 4.27 In response to a resolution passed at the Full Council meeting on 21 July 2021, the Council's Cabinet revisited their decision regarding the closure of the golf course, at their 4 August 2021 meeting, the conclusion of which was that on the balance of the evidence considered, there were not sufficient grounds to overturn its decision of September 2019. The relevant minute from this cabinet meeting is shown in Appendix 1

4.28 In October 2021 an application was made by members of the “Save Allestree Golf Course” Group to the Secretary of State to use his powers under section 98 of Local Government, Planning and Land Act 1980 to direct the Council to disposal of the Allestree Park Golf Course.

4.29 Following consideration of the evidence submitted by both parties the Secretary of State made the following decision: -

*On the evidence before him, the Secretary of State is satisfied that the land is being sufficiently used by Derby City Council for the purposes of public parkland, incorporated into the wider Allestree Public Park.*

*For this reason, the Secretary of State has decided that it would not be appropriate for a section 98 direction to be given in this case.*

4.30 On 7 July 2021 the Council received official notification from the Local Government Ombudsman (LGO) that they were proposing to investigate a complaint received regarding the closure of Allestree Golf Course.

4.32 [REDACTED]

4.33 At their meeting of 10 November 2021, Cabinet resolved to start a consultation process regarding the rewilding of Allestree Park including the area that was the site for the former golf course.

## Public/stakeholder engagement

5.1 None

## Other options

6.1 None

## Financial and value for money issues

7.1 There are no direct financial implications contained in this report

7.2 A revenue saving of £69,000 p.a. will be achieved from 2022/23 following the closure of the golf course.

## Legal implications

8.1 There are no direct legal implications relating to this report

## Other significant implications

9.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal Finance Service Director(s) Report sponsor Other(s)	Steve Caplan Director of Property Services	06/01/2022

Background papers: List of appendices:	Appendix 1 – Minutes from 4 August's Cabinet meeting Appendix 2 – LGO's draft decision
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## **Appendix 1 – Minute from 4 August Cabinet meeting**

### **45/21 Minute Extract from Council – Motion: Allestree Golf Course and Hall**

The Council Cabinet considered a minute extract from Council following a resolution relating to Allestree Golf Course and Hall, requesting that Cabinet and Council officers do not give a further time extension to the identified preferred bidder to finalise the deal.

The Council resolution also requested that Cabinet and Council officers ask Marketing Derby to identify suitable organisations who were interested in operating the Hall and Golf Course in an integrated manner or the golf course as a separate entity.

The Executive Scrutiny Board resolved to recommend to Council Cabinet that it commits to the will of Council in relation to this resolution.

### **Decision**

Council Cabinet resolved to not accept the recommendation contained within the resolution, having given due consideration to the will of Council and considered the evidence presented in support of the proposal.

### **Reason**

Cabinet considered the evidence presented in the resolution in support of the proposal, contributions from councillors in attendance and technical information from council officers in respect of the following:

- The advertisement and publicity undertaken as part of the original expression of interest
- The Heritage Statement relating to Allestree Hall and the historical significance of the original golf course design
- The credibility of subsequent expressions of interest and the timescales for competition of the original agreement reached in September 2019.

Council Cabinet noted that the proposed disposal of land had been properly advertised and processed in line with Council's normal procedures. It was not an award of contract, so procurement regulations did not apply to the disposal. There had been several expressions of interest, but they had failed to meet the specified criteria.

It was reported that the process had been carried out by a reputable company in the field, but interest was limited to the Hall. Subsequently, further bids were requested for the Golf Course, Expressions of Interest were received but none were found to be viable, based on the advice and support of council officers. Interested parties found that the proposal for a Golf Academy was unviable as there was no clubhouse, no parking and lack of space for a range. English Heritage had been approached by a campaign group, but they declined to designate the golf course as an area of special interest. Council Cabinet had resolved in September 2019 that if no viable proposal was received, then the golf course would be decommissioned and absorbed into the existing parkland; this took place early in 2021.

It was further noted that Allestree Hall was a Grade II listed building, to which relevant planning legislation applied. A bidder was currently negotiating with the Council to lease the Hall for a period of 250 years to establish a hospitality business. Council Cabinet agreed that it would be inappropriate to withdraw from negotiations with the preferred bidder as there would be a risk of challenge by that bidder that the Council was acting unreasonably, given the decision made by Council Cabinet in September 2019. It was reported that of the expressions of interest received all, but one had been reached by the Council's original publicity. Council Cabinet concluded that it would be inappropriate at this time to stop the process based on recently received emails expressing a general interest; the only reason to stop the current process would be if there was a legitimate claim with enough investment available. The current process has been followed for over eighteen months and during that time a potential purchaser has not appeared.

On the balance of the evidence considered, Council Cabinet agreed there were not sufficient grounds to overturn its decision of September 2019.