

MINUTE EXTRACT

Time began 6.00pm
Time ended 7.50pm

COUNCIL CABINET 13 JANUARY 2009

Present: Councillor Jones (Chair)
Councillors Allen, Care, Carr, Naitta, Skelton and
Troup
In attendance: Councillors Hickson and Hussain

181/08 Municipal Golf Contract

The Council Cabinet considered a report on Municipal Golf Contract. The market for municipal golf had been in steady decline since the early 1990's. A strategic review of our golf courses was undertaken by the Golf Consultants Association, to assess market conditions, review our performance and consider our options for the future. The consultant's summary of the current situation was:

- Trading performance had declined markedly in the past decade due to increased competition, and the Courses no longer produce an operating surplus.
- Financial performance would not change for the better until significant investment was made in the Courses and their facilities
- The two Courses were worth investing in. They were under performing but both had huge potential with good base facilities, good locations and extensive catchments
- £1million to £2.5 millions of investment in facilities was required

Options Considered

1. Status quo
This would see a continuing decline and an increasing level of subsidy from the Council.
2. Re-let on a 5 year medium term contract.
Continuing decline of the Courses would be inevitable.
3. Provide in-house service with capital investment through borrowing.
The sums required were significant and would produce liabilities for future years. Whilst this was not considered to be the best option, should suitable bids not be forthcoming this option should be pursued.
4. Retain one golf course and close the other or close both courses
This would be highly controversial noting the consultants' opinion that both Courses were worth investing in and would result in the

loss of leisure facilities in the city and increased travel to facilities outside the city (carbon footprint consequences). Additionally, because the courses would revert to parkland there would still be maintenance costs whereas the development of the courses would result in the generation of income for the Council.

Decision

To advertise the opportunity for golf course operators to submit competitive tenders under OJEU rules for the operation of the Sinfyn and Allestree golf courses. The selected tenderer would be offered a minimum 25 year lease and would be required to undertake an agreed investment programme and maintain public access to the golf facilities.

Reasons

1. Trading deficits would be eliminated and a lease rent would be received.
2. Public access to golf in Derby would be continued.
3. Improved leisure venues for the City would be provided.
4. This was an opportunity to provide enhanced golf training facilities in a safe environment which will encourage new entrants to the game