

**Report to Active and Cohesive Overview & Scrutiny Committee
17 June 2013 - Keele Golf Course**

Background

On 21 March 2013 the operating company at Keele Golf Course went into voluntary liquidation but continued to operate as trespassers until the liquidator passed back the lease to the Council on 1 May 2013. The trespass was permitted to ensure a continuation of service and prevent the course closing prior to the lease being disclaimed and new interim arrangements being put in place while another operator was secured.

Glendale Managed Services were asked to quote for grounds maintenance at the course and also separately for managing the golf course. As existing grounds maintenance contractor to the Council a variation to their existing contract was approved following evaluation of their quote. In relation to the golf course management, two quotes were obtained, and following evaluation the work was awarded to Glendale. Both contracts are for an initial 4 months with the option to extend monthly for a further two months. These arrangements commenced on 2 May 2013. On 1 May 2013 the course was staffed by Council senior officers to ensure a continuation of service and give the opportunity to audit the operation prior to the interim contractor starting.

Issues

Under the term of the current interim arrangements the Council retain all income from the course but are responsible for the costs of operation. The intention is to manage costs so that they are covered where possible by income. Income is generated from green fees and ancillary sales and the associated costs, which include National Non Domestic Rates, Utility Charges, Repairs and Maintenance (including statutory inspections), Grounds Maintenance Contract, Management Fee, and other direct costs (including golf shop staff, golf buggy leases, insurance etc.)

In terms of the longer term operation of the course the intention is to lease the course to an operator, with an agreement/ specification for golf management underpinning the lease to ensure the continued operation of a municipal golf course. In order to procure the next operator a pre-qualification questionnaire (PQQ) is being developed to capture market interest in the opportunity and give organisations the opportunity to comment on how they would like to see a lease structured in order to maximise their investment in the site and/or the return to the Council. It is envisaged that the results of the PQQ exercise will be known by mid July and these will then inform the next stage of the procurement process. In the meantime draft leases and specifications are being prepared.

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