

Public Document Pack

Date of meeting Monday, 22nd July, 2013
Time 7.00 pm
Venue Committee Room 1, Civic Offices, Merrial Street,
Newcastle-under-Lyme, Staffordshire, ST5 2AG
Contact Louise Stevenson 01782 742250

Transformation and Resources Overview and Scrutiny Committee

SUPPLEMENTARY AGENDA

PART 1 – OPEN AGENDA

5 KEELE GOLF COURSE (Pages 1 - 4)

To consider a briefing note outlining the financial position at Keele Golf Course.

Members: Councillors Bannister, D Becket, Mrs Burgess (Vice-Chair), Fear, Hambleton, Mrs Hambleton, Howells, Jones, Mrs Shenton (Chair), Taylor.J and Waring

Members of the Council: If you identify any personal training/development requirements from any of the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Democratic Services Officer at the close of the meeting.

Meeting Quorums :- 16+= 5 Members; 10-15=4 Members; 5-9=3 Members; 5 or less = 2 Members.

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

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Briefing Note to Transformation and Resources Overview and Scrutiny Committee

22 July 2013

Keele Golf Course

Background

At the last meeting of the Transformation and Resources Overview and Scrutiny Committee members received a report on the interim maintenance and management arrangements for Keele Golf Course. Members requested a further report outlining the financial position.

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.

Financial Position

Under the terms 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.)

The costs incurred together with the income received to date are shown in the following table:

Cost /Income	May 2013	June 2013	Total	Notes
	£	£	£	
<i>Expenditure</i>				
Grounds Maintenance	11,864	16,056	27,920	1
Operational Costs	9,096	9,938	19,034	2
Business Rates	1,766	1,766	3,532	
Telephone	50	50	100	3
Electricity	500	500	1,000	3
Water	212	212	424	
Gas	600	600	1,200	3
Total Expenditure	24,088	29,122	53,210	
<i>Income</i>				
Green Fees	15,334	18,242	33,576	
Season Ticket Sales	451	1,829	2,280	
Hire of trollies / buggies	316	1,643	1,959	
Other Income	907	1,208	2,115	
Total Income	17,008	22,922	39,930	
Net Cost	7,080	6,200	13,280	

Notes:

1. May expenditure was for part month only.
2. These costs relate to management fees, direct staffing costs and other items such as scorecards, buggy hire and fuel for the buggies.
3. These are estimates only as no invoices have yet been received.

In addition, a number of one off ie setting up costs have been incurred. These are as follows:

	£
Annual Golf Course Report	1,910
Removal of Rubbish	1,557
Joinery and removal and replacement of locks	1,787
Brickwork and Steel Girders	946
Decommission of showers	100
Inspection and testing of lighting	60
Total	6,360

The figures show a net operating cost of £13,280 (plus £6,360 one off costs) has been incurred for the first 2 months of operation. However, the months that traditionally generate the most income on a golf course are July, August and the first part of September. It is hoped that this additional income will

cover the costs incurred to date. In addition, discussions have been held with Glendale resulting in reductions in both grounds maintenance costs and course operations expenditure over the coming months.

It should also be borne in mind that had the Council not maintained continuity of the course operations, that significant holding costs would have been incurred in securing the site.

Further updates will be provided to the committee.

Kelvin Turner
Executive Director – Resources and Support Services

Dave Adams
Executive Director – Operational Services

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