



ARTICLE NO: 3B

**CORPORATE & ENVIRONMENTAL
OVERVIEW & SCRUTINY
COMMITTEE**

**MEMBERS UPDATE 2012/13
ISSUE: 4**

Article of: Assistant Director Community Services

Relevant Managing Director: Managing Director (People and Places)

Relevant Portfolio Holder: Councillor D Sudworth

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SUBJECT: BEACON PARK GOLF COURSE

Wards affected: Borough Wide

1.0 PURPOSE OF ARTICLE

1.1 To update Members of the progress towards finalising an agreement of the management of the Beacon Park Golf Course.

2.0 RECOMMENDATIONS

2.1 That the contents of the report be noted.

3.0 BACKGROUND

3.1 DCT Leisure gave notice and relinquished their lease for the management of Beacon Park Golf Course on 31st December 2011.

3.2 Following reports to Cabinet (15th November 2011) and Council (14th December 2011) interim arrangements were put in place with West Lancashire Community Leisure Trust and the trust partners Serco Leisure Operating Limited to undertake temporary arrangement for the management of the golf course.

3.3 Delegation was approved by Cabinet and Council for the Assistant Director Community Services, in consultation with the Leader and relevant portfolio holder, to enter into and conclude all arrangements for the long-term management arrangements for the golf course.

4.0 CURRENT POSITION

- 4.1 The trust partners have examined the previous financial years and membership records of the golf course. The information provided by DCT confirmed that the golf course had been losing money during the past two years, as a result of falling memberships and increasing costs.
- 4.2 An assessment undertaken by Serco indicated that the finance position of the golf course would improve under a trust arrangement, providing savings for rates (NNDR) and improvement towards VAT payments. However the underlying trend of reduced memberships would need to be reversed together with improvement across casual income lines in order to ensure long term viability.
- 4.3 The arrangements previously negotiated by DCT for the land drainage work with Oaklands leisure provided an opportunity to improve facilities, retain or increase future membership and increase income.
- 4.4 Serco have now concluded their discussions with Oaklands Leisure and have been able to project a positive financial position in future years. However the initial years of the improvement works will require Serco to cover operating losses.

5.0 MANAGEMENT AGREEMENT

- 5.1 Serco have proposed a surplus income share arrangement. They have not included any management fees in the cost of the operation and have agreed to absorb any losses incurred within the golf course arrangement during the contract period. The surplus income share is based on 1/3rds (thirds) distributed equally to West Lancashire Borough Council, West Lancashire Community Leisure Trust and Serco Leisure Operating Limited.
- 5.2 The income share for West Lancashire Community Leisure will be used to support their outreach for community development work providing access for community groups and schools towards events and activities.
- 5.3 The proposal includes investment into the golf course and facilities, reshaping of the landform to enhance existing golf holes and practice facilities and create a new 9 hole short course. Remodelled driving range outfield and target greens. Provision to enhance internal facilities in the golf club house and entrance area. The work is to be phased in over two years 2013-15 and has an estimated investment / enhancement value for the golf course of approximately £500,000.
- 5.4 The agreement for the management of the of the golf course will run concurrently with the existing leisure trust partnership agreement terminating on 31st March 2020.

6.0 RISK ASSESSMENT

6.1 The Council have considered the risks as part of the original decision process.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Article.

Equality Impact Assessment

The Article is for information only and does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

None