

Golf Provision – Option Appraisal

Context

There has been a steady decline, nationally as well as locally, in the number of people participating in Golf in recent years. Additionally, the courses in Dundee have been further affected by historic lack of investment, a lack of playing choice and diversification and, until recently, contracts of employment for green keeping staff which were not fit for purpose. Yet, despite this Golf Dundee has performed well and, during this current season, started to buck the national trend with regards to memberships and rounds played.

Leisure and Culture Dundee provides Dundee City Council's golf service as part of the specification of services. At the time of the transfer of the Service in 2011/12 the accurate costs were not known and the transfer was based on an estimated cost provided by DCC. However, insufficient resources in the form of equipment and supervisory staff were transferred which meant it was only at the end of the first full year of trading that the extent of the required subsidy became clear. The net cost of the service has been approximately £450,000–£500,000 with DCC providing some £200,000 or c.40% of that cost. The consequence has been L&CD (specifically the Leisure & Sport Service) has had to absorb the balance of £250,000–£300,000: additional income, in the form of surplus, has therefore had to be generated at other facilities such as Olympia and Douglas Sports Centre to cover the cost of golf. Over the last 7 years, the life-time of L&CD, that figure has amounted to between £1.6m and £2m of absorbed costs. At the same time the Leisure & Sport Service has also contributed to the annual reduction in management fee from the Council with average annual savings/additional income of £150,000 (11% of net cost/management fee) or, in total, some £1.1m. This position is no longer sustainable.

A 2015 grounds survey of the Camperdown Golf Course indicated significant work, estimated at £1M, was required to repair damage and rectify infrastructure failure to maintain playability of the course, much of it caused by lack of attention to arboricultural work.

Current Position

L&CD operates the Golf Courses at Caird and Camperdown Parks and is responsible for management, course maintenance and provision of a Golf Starter service. Since 2017 idVerde has been contracted to provide the green-keeping service for a period of 3 years, with 1½ years of the agreement remaining.

Following an agreed budget saving proposal of some £35,000 in 2018/19, the Starter/Ranger service has been withdrawn at Camperdown Golf Course from 1st November 2018 and staff have been redeployed. A 'light touch' service using casual staff will remain in operation until 31st March 2019 with no starter provision from April 2019. The Starter/Ranger function consisted of 3 Grade 4 staff at an annual cost of £85,479.

A saving of £74,000 has been built into L&CD's future savings which will be fully realised following redeployment and the 3 year protection of allowances has expired.

- 2017/18 – 47,093 rounds played (of which 16,076 were at Camperdown)
 – 1,350 members (of which 865 hold dual course membership and 82 with single Camperdown memberships).

Attached within the appendices are: cost of golf, rounds played and membership numbers.

Golf Course Options and Implications:

Options	Direct Implications	Indirect Implications
Retain existing provision	<ul style="list-style-type: none"> • Net cost of golf remains at some £422K in 2018/19 • In the light of current financial pressures in L&CD the existing split of subsidy will require review: DCC £200K; L&CD £222K • Camperdown course continues to deteriorate • Little opportunity for growth and development of membership packages and member opportunities • New Starter arrangements required at Camperdown from April 2019 at some £57K 	<ul style="list-style-type: none"> • Additional financial strain on L&CD finances and, consequently, other services • Complaints about lack of investment in golf from the playing public at Camperdown • Camperdown becomes unplayable within 3-5 years • Both local clubs are likely to suffer membership reductions and eventually cease to trade • £57K requires to be reinstated into the Leisure and Sport Service budget
Withdraw all golf provision	<ul style="list-style-type: none"> • In due course there will be a net saving of approximately £322K which allows for provision of £100K of grass cutting and other maintenance works for the green spaces currently occupied by golf courses: so this would generate savings of £222K for L&CD and £100K for DCC. • The green spaces currently occupied by golf courses would revert to parkland and be managed by Neighbourhood Services. • 6 staff would have to be redeployed with potential conservation cost. • Golf Clubs would fold and existing leases for clubhouses would end with a subsequent loss of income to L&CD and an asset liability resting with DCC. 	<ul style="list-style-type: none"> • Negative media interest locally and possibly from across the country. • Trade Unions likely to make it an all services issue – start of more service closures etc. • Impact on golfers who stop playing – particular demographic may be subject to accelerated ill health, including mental health conditions due to social isolation etc. Therefore, potential additional costs to Health and Social Care Services. • Challenging questioning from the public and local and national politicians regarding the relative value of services, the impact on individuals and the process to determine which services should be reduced or withdrawn.

	<ul style="list-style-type: none"> • 1350+ golf members and other users would no longer access L&CD golf provision. • Green-keeping contract and equipment leases would end in due course (over the next 18-30 months). • DCC would no longer receive fleet and winter maintenance payment (cost of £75K; and whilst not providing the service may still have same staff resource) 	<ul style="list-style-type: none"> • Reputational damage for DCC and L&CD.
Close Camperdown	<ul style="list-style-type: none"> • In 2019/20 net cost of golf likely to increase due to existing green-keeping contract and probable reduction in overall memberships. • From 2020/21 onwards net cost of golf to improve by some £120K (save £210K on green-keeping services and equipment rental and lose £90K on memberships [300 18 hole course members]) 	<ul style="list-style-type: none"> • Impact on golfers who decide not to continue playing – particular demographic may be subject to accelerated ill health, including mental health conditions due to social isolation etc. Therefore, potential additional costs to Health and Social Care Services. • Challenging questioning from within and outwith L&CD regarding the relative value of services and the process to determine which services should be reduced or withdrawn. • Reputational damage for DCC and L&CD.
Turn Camperdown into a 9 hole course (back 9)	<ul style="list-style-type: none"> • In 2019/20 net cost of golf likely to increase due to existing green-keeping contract and probable reduction in overall membership income unless contract is renegotiated and some costs transferred to other works (see below). • Some investment still required on course as back 9 has less damage from trees and other soil related deterioration. • Capital investment required for a relocated Starter's Box likely to be in excess of £60K. • From 2020/21 onwards net cost of golf to improve by some £50K (save £80K on green-keeping services and equipment rental, lose £60K on memberships [200 members] and increase 9 hole income by £30K) • Alternative use of front 9 holes to be considered. An adventure park could be created utilising the Ancrum Service to provide on-site activities including tree walks, zip wires, Go Ape style climbs, dry ski slope skiing, trail 	<ul style="list-style-type: none"> • Likely reduce level of playing by some golfers: other services may experience an increase in demand. • Camperdown Golf Club likely to lobby against move to 9 hole course. • Positive PR around responding to new demand for "quick" golf. • Further positive PR regarding "modernisation" of leisure provision with an adventure park – developing a new market • L&CD Board may need some form of guarantee against further risks of maintaining golf service.

	<p>running, tough mudder style courses etc. Will require capital investment, adventure area set-up (could be funded by negotiation of green-keeping contract) and on-going grounds maintenance. Will generate an income which will help to reduce the cost of providing the service.</p>	
<p>Driving Range at Caird Park</p>	<ul style="list-style-type: none"> • Will enhance golf provision and complement any action taken regarding golf courses (except total withdrawal). • Capital cost of construction of a driving range likely to be upward of £650k. Will improve the net cost of golf by £80-100K once fully established. • Will help development of women and junior golf and improve access to golf for groups who otherwise would not participate. • It will complement the other developments in Caird Park (RPCS) and will likely benefit from the increased footfall in the area. • Good ancillary facilities will be important to maximise the footfall and should include café and pro shop – additional capital funding may be required. • It would also provide the opportunity to modernise the Starter's function by contracting a golf professional to undertake the work. This may also require the introduction of on-line booking to improve the overall golf service. 	<ul style="list-style-type: none"> • Will help improve equity of opportunity by making golf more accessible to more people and therefore help improve more people's health and well-being. Less demand on recovery and other (ill) health related services. • Lobbyists/protesters may raise the issue of more tree losses in the park. • Likely to highlight the poor condition of other golf buildings and amenities in the vicinity – clubhouse, changing areas, car parks, storage buildings – with requests/demands for further investment.
<p>Re-design and develop the service over a 3 year period</p>	<ul style="list-style-type: none"> • Investment plan required for all courses, Camperdown in particular which may require capital investment of some £1M. • In order to build on current position of growth to develop the service and to use the construction of a golf driving range at Caird Park to stimulate further growth as short-term financial plan is required. The existing net cost of £465K is likely to remain during 2019/20. 	<ul style="list-style-type: none"> • Positive publicity for DCC and L&CD. • Contributing to health improvement agenda. • Contributing to Fairness and Equality strategies – more women and young people taking part in golf. • Assists with tourism and economic development by making Camperdown Park a "destination" facility. • Short term funding required to assist with transformation. • Capital funding required to improve condition of courses.

- Establish new commissioning arrangement between DCC and L&CD on an open-book accounting basis with the real costs shared more equitably.
- Immediate actions: provide a Starter's function at Camperdown for 2019/20 including planning for the first phase of an electronic booking system for tee times.
- Progress construction of a golf driving range at Caird Park to open during October 2019.
- Diversify membership products including Golf Driving Range Membership.
- Year 2 actions: reconstitute golf clubs to be part of Golf Dundee or include conditions in their leases to establish Ladies and Junior sections; liaise with Scottish Golf to identify and employ a suitable Golf Professionals and Assistant to manage the Starter's functions at both Courses; fully implement an electronic booking system for tee times.
- Year 3 actions: Electronic booking system and Professional in place with reduction in Starter staffing – saving £45K; growth in use of driving range – surplus £80K; growth in dual course season ticket sales by 300 (memberships) – increased income of £120K. Giving an improvement to golf finances of £245K.
- Re-assess demand and sustainability of city golf offer in 2020/21.

Financial Summary			
Option	Adjustments	Saving (S)/Investment (I) £	Total Cost of Golf £
Retain existing provision	New Starter arrangements required at Camperdown from April 2019 at some £57K – budget uplift.	57,000 (I)	479,000*
Withdraw all golf provision	In due course there will be a net saving of approximately £322K which allows for provision of £100K of grass cutting and other maintenance works for the green spaces currently occupied by golf courses.	322,000 (S)	100,000 (retention of grass cutting only – no golf provision)
Close Camperdown	From 2020/21 onwards net cost of golf to improve by some £120K (save £210K on green-keeping services and equipment rental and lose £90K on memberships [300 18 hole course members])	120,000 (S)	302,000*
Turn Camperdown into a 9 hole course (back 9)	From 2020/21 onwards net cost of golf to improve by some £50K (save £80K on green-keeping services and equipment rental, lose £60K on memberships [200 members] and increase 9 hole income by £30K)	50,000 (S)	372,000* (plus a one off cost of £60K for a Starters' Box)
Re-design and develop the service over a 3 year period	Electronic booking system and Professional in place with reduction in Starter staffing – saving £45K; growth in use of driving range – surplus £80K; growth in dual course season ticket sales by 300 (memberships) – increased income of £120K. Giving an improvement to golf finances of £245K.	245,000 (S)	177,000

*Excludes potential surplus from Golf Driving Range c. £80K.

Recommendation:

It is recommended, if capital investment at Camperdown Golf Course is made available (to sustain its playability), that the golf service is redesigned and developed over a 3 year period. However, if the funding is not available, it is recommended to close Camperdown Golf Course on 1 April 2019, review the service with a view to withdraw all golf provision as soon as practicable.

Appendix 1

<u>Golf Dundee</u>	<u>Projected</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
<u>Financial Analysis</u>	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>
Staff Costs	£309,328	£361,505	£570,334	£608,499	£643,983
Property Costs	£0	£4,042	£0	-£918	£12,595
Supplies Services Costs	£360,615	£327,999	£83,093	£103,573	£110,080
Transport Costs	£130,000	£151,364	£155,596	£142,976	£180,323
Total Expenditure	£799,943	£844,910	£809,022	£854,130	£946,981
Income	-£378,200	-£360,449	-£394,414	-£435,556	-£437,586
Net Deficit	£421,743	£484,461	£414,608	£418,574	£509,395

Note: 2018/19 projection includes half year saving on 3 Golf Starter posts, and a reduction in lease costs due to reaching the end of the 5 year agreement.

Appendix 2

**Round of Golf
Camperdown 18 Hole**

Year	Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2009-10	Apr	2,891	3,191	3,460	3,132	2,914	2,000	1,729	946	458	660	922	1,656
2010-11	Apr	2,476	3,417	3,274	2,787	3,051	1,957	1,598	802	0	0	443	1,630
2011-12	Apr	3,187	2,636	2,904	3,019	2,935	2,221	1,417	1,048	574	907	443	2,246
2012-13	Apr	2,114	2,870	2,703	2,885	2,555	2,121	1,657	1,109	347	446	518	486
2013-14	Apr	1,986	2,758	2,063	3,089	3,185	2,293	1,522	1,185	680	788	899	1,845
2014-15	Apr	2,507	3,090	2,666	3,088	2,669	2,196	1,270	914	650	382	935	1,613
2015-16	Apr	2,668	2,582	2,738	2,915	2,492	1,811	1,236	410	257	79	360	1,130
2016-17	Apr	1,569	2,611	2,344	2,344	2,227	1,768	1,308	876	799	601	678	1,244
2017-18	Apr	2,089	2,331	1,920	2,341	2,095	1,406	1,097	796	402	411	616	572
2018-19	Apr	1,876	2,511	2,278	2,466	2,347	1,626	999					
Average 5 Years		2,142	2,625	2,344	2,631	2,366	1,761	1,182	749	527	368	647	1,140
Previous 5 Years		2,531	2,974	3,081	2,982	2,928	2,120	1,585	1,018	412	560	745	1,573

CaIRD 18 Hole

Year	Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2009-10	Apr	4,003	3,832	4,293	4,428	3,775	2,697	2,492	906	391	475	1,310	2,542
2010-11	Apr	3,831	4,801	4,951	4,552	4,876	3,601	2,608	1,180	0	447	1,191	2,725
2011-12	Apr	5,004	4,658	5,264	5,052	4,913	3,846	2,784	1,341	648	1,238	1,406	3,432
2012-13	Apr	3,375	4,738	3,802	4,128	3,709	3,394	2,139	1,182	273	525	1,172	790
2013-14	Apr	3,252	4,263	4,725	4,334	4,316	3,459	2,129	1,380	890	797	1,139	2,405
2014-15	Apr	3,226	3,918	3,717	3,879	3,485	3,188	1,699	1,130	744	712	1,267	1,398
2015-16	Apr	3,138	3,318	3,477	3,802	3,210	2,360	686	481	481	116	1,086	1,873
2016-17	Apr	2,272	3,512	3,000	3,265	3,287	2,719	1,798	1,158	988	1,162	1,175	2,033
2017-18	Apr	3,125	3,558	2,887	3,251	3,015	2,283	1,875	1,373	655	693	1,004	976
2018-19	Apr	2,460	3,182	3,062	2,940	2,926	2,332	1,778					
Average 5 Years		2,844	3,498	3,224	3,362	3,303	2,746	1,942	1,087	717	671	1,133	1,570
Previous 5 Years		3,893	4,458	4,607	4,499	4,318	3,399	2,430	1,200	440	696	1,244	2,367

CaIRD 9 Hole

Year	Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2009-10	Apr	1,101	1,211	1,470	1,679	1,798	999	578	165	48	0	93	328
2010-11	Apr	872	1,163	1,185	1,345	1,021	452	510	113	0	0	39	95
2011-12	Apr	1,111	1,033	1,255	1,627	1,298	760	450	159	54	135	128	582
2012-13	Apr	727	1,089	1,005	995	990	432	307	0	0	0	0	0
2013-14	Apr	0	0	0	0	0	207	110	130	35	56	28	156
2014-15	Apr	314	729	751	1,129	923	724	438	231	148	153	215	311
2015-16	Apr	869	1,337	1,027	1,219	1,296	1,231	635	193	61	13	267	367
2016-17	Apr	693	1,337	1,062	1,007	1,255	761	601	308	134	203	279	349
2017-18	Apr	931	970	689	859	851	635	450	338	113	82	191	213
2018-19	Apr	627	868	874	1,137	939	561	421					
Average 5 Years		687	937	881	1,070	1,053	782	509	268	114	113	238	310
Previous 5 Years		762	899	983	1,129	1,021	570	391	113	27	38	58	232

Appendix 3

**Breakdown Of Golf Memberships
Oct-18**

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	Caird 18		Caird 9		Camp		Dual		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Full Payment										
Mon-Sun Adult	1	2	0	0	1	1	15	21	17	24
Mon-Sun Concessio	8	8	0	0	10	10	25	21	43	39
Mon-Sun Juvenile	1	1	0	0	2	0	2	3	5	4
Mon-Sun Student	0	0	0	0	0	0	0	0	2	3
Mon-Sun 20	0	0	0	0	0	0	0	0	0	0
Mon-Sun 19	0	0	0	0	0	0	0	0	0	0
Mon-Sun 18	0	0	0	0	0	0	1	0	1	0
Mon-Fri Adult	5	2	0	0	5	7	12	8	22	17
Mon-Fri Concessio	12	14	0	0	7	4	33	35	52	53
Sat-Sun Adult	2	1	0	0	2	4	1	0	5	5
Sat-Sun Concessio	2	2	0	0	0	0	0	0	2	2
9 Hole Adult	0	0	66	61	0	0	0	0	66	61
9 Hole Adult & Child	0	0	5	2	0	0	0	0	5	2
9 Hole Juvenile	0	0	3	0	0	0	0	0	3	0
	31	30	74	63	27	26	91	91	223	210
Direct Debit										
Mon-Sun Adult	19	18	0	0	17	12	432	420	468	450
Mon-Sun Concessio	57	55	0	0	6	7	140	129	203	191
Mon-Sun Juvenile	0	2	0	0	2	2	10	13	12	17
Mon-Sun Student	4	4	0	0	1	0	20	19	25	23
Mon-Sun 20	0	0	0	0	0	0	4	0	4	0
Mon-Sun 19	0	0	0	0	0	0	0	0	0	0
Mon-Sun 18	0	0	0	0	0	0	2	0	2	0
Mon-Fri Adult	15	17	0	0	7	9	76	86	98	112
Mon-Fri Concessio	27	30	0	0	14	11	69	66	110	107
Sat-Sun Adult	17	16	0	0	8	3	19	25	44	44
Sat-Sun Concessio	6	5	0	0	0	1	2	0	8	6
9 Hole Adult	0	0	100	88	0	0	0	0	100	88
9 Hole Adult & Child	0	0	12	24	0	0	0	0	12	24
9 Hole Juvenile	0	0	7	8	0	0	0	0	7	8
	145	147	119	120	55	45	774	758	1,093	1,070
Total	176	177	193	183	82	71	865	849	1,316	1,280
									36	2.81%

