








## INSTALLATION OF POWER TEE – DIBDEN GOLF CENTRE

**Summary of Purpose and Recommendations:**

This report outlines a proposal for the installation of an automatic range ball teeing system, gives details of the business plan to support the proposal and identifies a choice of two options for financing the proposal.

**Cost to Council: Income generating up to £17k pa      Within existing budget? No**

**Contribution to Corporate Plan (Minor/Moderate/Major/Neutral):**

	+		-		+		-
	Minor			<b>Priorities</b>			
		Neutral		Clean Streets and Public Space		Neutral	
		Neutral		Crime and Disorder		Neutral	
	Minor			Housing		Neutral	
		Neutral		Managing our Finances	Moderate		

**Comments on Impacts on Corporate Objectives and Priorities:**

The proposal will enable less mobile and disabled golfers to more easily use the driving range facilities and will make a positive contribution to the Council's finances.



Organisation of excellence



Working with public and partners



Economic well being



Social well being



Environmental well being

## DIBDEN GOLF CENTRE INSTALLATION OF POWER TEE

### 1. BACKGROUND

- 1.1 The Driving Range at Dibden was opened in 1992 and although subject to an annual maintenance and equipment replacement programme it has not kept pace with more recent modern driving range developments which has now made it less competitive in the market.
- 1.2 A refurbishment scheme to upgrade the Range was included in the Leisure Capital Expenditure Plan for 2003/4 which incorporated works to the lighting, flooring, bay dividers and mats.
- 1.3 The purpose of this Report is to present a Business Case and request a supplementary estimate for a further enhancement through the installation of an automated range ball teeing system.

### 2 CURRENT POSITION

- 2.1 The driving range at Dibden has now undergone the planned refurbishment which has been extremely well received by the Public and is already generating additional usage.
- 2.2 Concurrent with the refurbishment Officers have been investigating the possible installation of an automatic range-ball teeing system called Power Tee.
- 2.3 The Power Tee is a system which automatically dispenses range balls to the tee/ range mat used by the golfer on the driving range.
- 2.4 Research into existing installations has revealed an increase in usage and turnover ranging from 25% to 70% (the latter where Power Tee was part of a planned improvement strategy).
- 2.5 This increase in usage and turnover has been generated by the installation of 1 power tee for every £10,000 which the driving ranges researched, generated in income.

### 3. PROPOSAL

- 3.1 The proposal is for the purchase and installation of the Power Tee system in six of the nineteen bays available on the range.
- 3.2 This is based on the industry norm outlined in 2.5 above

### 4. FINANCIAL IMPLICATIONS

- # 4.1 The purchase and operational costs together with the projected income from the Power Tee installation are shown in Appendices 1 and 2. Appendix 1 shows the financial implications of lease financing where Appendix 2 shows the implications of outright purchase.
- 4.2 As the installation would take place in September both the part year and full year effect is shown.

4.3 As Members will see outright purchase would give the best immediate return to the Council although either method of financing will yield an excellent return on the investment.

4.4 The projected income figures are at the lower end of the scale based on the research undertaken and the proposal would break even in a full year if there was no price increase and sales only increased by 10%.

## 5. CONSULTATION

5.1 The proposal is based on discussion and research with a number of other driving range providers.

## 6. ENVIRONMENTAL IMPLICATIONS

6.1 The installation of the Power Tee will mean a marginal increase in electricity consumption.

## 7. CRIME AND DISORDER

7.1 There are none

## 8. PORTFOLIO HOLDER COMMENTS

# 8.1 The Portfolio Holder supports the installation of power tees at Dibden Golf Centre and the business case and associated financial implications as shown in Appendix 2 of this report.

## 9. RECOMMENDATION

# 9.1 That the Cabinet either:

9.1.1 Approve the business case and associated financial implications shown in Appendix 1 of this report; or

9.1.2 Approve the business case and associated financial implications shown in Appendix 2 of this report.

### For further information contact:

Bob Millard  
Assistant Director of Leisure Services  
Appletree Court, Lyndhurst

Tel 023.8028 5469

Email: bob.millard@nfdc.gov.uk

### Background Papers

Nil

	Part Year	Full Year
	£	£
<b>EXPENDITURE P.A.</b>		
Purchase and installation of 6 Power Tees @ £3,000 each on 5 year lease	1,980.00	3,960.00
Additional Power	300.00	600.00
Maintenance (£160 each)	480.00	960.00
Tee Pegs	100.00	100.00
Additional Range Ball Cost	500.00	500.00
<b>Total</b>	<b>3,360.00</b>	<b>6,120.00</b>
<b>ADDITIONAL INCOME P.A. NET OF VAT</b>		
15p increase on cost of token (10% rise in cost) x 40,000	2,553.00	5,106.00
25% increase in use represents additional 10,000 tokens @ £1.65	3,510.50	14,042.00
<b>Total - Additional Net Income</b>	<b>6,063.50</b>	<b>19,148.00</b>
<b>Net profit</b>	<b>2,703.50</b>	<b>13,028.00</b>

**SUMMARY NOTES**

This option will require a supplementary estimate of £3,360 in 2004/05, offset by £6,060 additional income - a net saving in the current year of £2,700.

Over a period of five full years, the net benefit to the Authority is £65,140, based on the above data.

The financial projections are based on the current sales of 40,000 tokens per annum.

	Part Year	Full Year
	£	£
<b>EXPENDITURE P.A.</b>		
Outright Purchase of 6 Power Tees @ £3,000 each	18,000.00	0.00
Additional Power	300.00	600.00
Maintenance (£160 each)	480.00	960.00
Tee Pegs	100.00	100.00
Additional Range Ball Cost	500.00	500.00
<b>Total</b>	<b>19,380.00</b>	<b>2,160.00</b>
<b>ADDITIONAL INCOME P.A. NET OF VAT</b>		
15p increase on cost of token (10% rise in cost) x 40,000	2,553.00	5,106.00
25% increase in use represents additional 10,000 tokens @ £1.65	3,510.50	14,042.00
<b>Total - Additional Net Income</b>	<b>6,063.50</b>	<b>19,148.00</b>
<b>Net profit</b>	<b>-13,316.50</b>	<b>16,988.00</b>

**SUMMARY NOTES**

This option will require a supplementary estimate of £19,380 in 2004/05, offset by £6,060

additional income - supplementary approval of £13,320 is therefore required for this financial year.

Over a period of five full years, the net benefit to the Authority is £66,940, based on the above data.

It should be noted that this includes the £18,000 purchase cost of the Power Tees.

The financial projections are based on the current sales of 40,000 tokens per annum.