

## DIBDEN GOLF CENTRE – FUTURE OPERATION AND MANAGEMENT

### 1. INTRODUCTION

- 1.1 On the 1st June 2011 the Cabinet made the decision to implement a process to identify potential partners for the future operation and management of Dibden Golf Centre through a formal tender process and based on a medium term lease.

A Task and Finish group was appointed by the Community Overview and Scrutiny Panel to assist the process and during the intervening period they have been involved in receiving and evaluating proposals from interested parties, based on a process of Competitive Dialogue. Consultations were also undertaken with representatives of employee side and users of the golf course.

- 1.2 The Task and Finish group has reported back to the Panel at key milestones in the process and on the 17th January presented a report on the evaluation of the final tenders received from 2 preferred companies, namely Mytime Active and Mack Trading.

As part of that report they have made the following recommendation to Cabinet which is to:

- Identify Mytime Active as the preferred bidder for the future operation and management of Dibden Golf Centre, on the basis of a 30 year lease based upon:
  - i. An evaluation of the bids received from potential partners; and
  - ii. Comparison of these bids with the Council's own continued operation and management

### 2. SUMMARY OF EVALUATION PROCESS

- 2.1 Potential partners have been assessed as part of a Competitive Dialogue tendering process. The final stage of this evaluation was the receipt of official tenders from Mytime Active and Mack Trading. A technical and financial evaluation together with reference take up and the undertaking of site visits formed major parts of this initial evaluation which was to determine a potential preferred partner.
- 2.2 Mytime Active outscored Mack trading on both the technical and financial criteria of the evaluation. Good references have been received with regard to both bidders and no significant issues arose from the member site visits.
- 2.3 Details of the financial evaluation are set out in the confidential Appendix attached to this report. The basis of the financial bid was an annual rental offer to the Council and a formal proposal for capital investment in the facilities and course. In both cases these formal offers were to be fixed over the next 5 years. Following this period the annual rent would be subject to a rent review and future capital investment would be undertaken within the framework of the partnership.
- 2.4 The Mytime Active bid also included a variant bid which would if successful result in a further significant level of capital investment in facilities, subject to a positive business case. The core bid provided for development of this variant bid to planning approval stage.

- 2.5 The last stage of the evaluation was to compare the Mytime Active bid with the Council's continued operation and management. There were not perceived to be any major differences between the technical operations. Therefore the comparison was undertaken on a financial evaluation. The level of annual rental income and capital investment was significantly greater than could be provided from the Council existing plans. Details are set out in Appendix A. This Appendix contains exempt information and is therefore only attached for members of the Council.
- 2.6 A further part of the evaluation was to undertake a risk assessment of the likely financial position given both the current economic conditions and the current state of the golf market, which is clearly under pressure. This identified that the bid from Mytime Active over the next 5 years represented a financial benefit of between £816,000 and £1,281,000.
- 2.7 The conclusion of this evaluation undertaken by the Task and Finish Group and the Community Overview and Scrutiny Panel led to the recommendation set out above for Cabinet and Council consideration.
- 2.8 The proposed start date for the new arrangements is 1<sup>st</sup> April 2012.

### **3. EMPLOYEE SIDE COMMENTS**

- 3.1 Employee side are always supportive of providing services in house but recognise that the council tax payer must see value for money, which it appears to be the main drive towards granting Mytime a 30 year lease.
- 3.2 The Branch Secretary was invited to the presentations by those preferred bidders and is in agreement that Mytime Active gave by far and above the best presentation and would seem a highly competent and motivated organisation. They have a vision for the future development of golf which hopefully will materialise and improve the golf experience for the residents of the New Forest.
- 3.3 Employee side are pleased that Mytime have gained admitted body status and so therefore the staff that will TUPE over to the new company will have their pensions protected.
- 3.4 Employee side believe that 30 years seems a very long time to give this valuable council asset to a company. Back in 2003/04 the golf course was making a gross profit of around £300,000 and helped support other parts of the organisation that were non profit making. If the economy picks up and golf is played more the council will not be the major beneficiary.
- 3.5 The golf course provides golf to the residents of the New Forest at a reasonable rate and we would like to know what controls are in place to ensure there is not a significant rise in prices in the future. We would hope the golf course does not lose its accessibility to the general public and become just another exclusive golf course.
- 3.6 In para 2.6 it states that a financial benefit of between £816,000 and £1,281,000 to the council but this has not been explained or quantified by any clear evidence.
- 3.7 Employee side had always hoped that the golf course would be run in house but accept the management structure at the NFDC does not have the level of integration and expertise to get the best out of the business. It is accepted that with Mytimes professionalism in running golf courses and their ability to enjoy economies of scale that they will be successful.
- 3.8 Employee side note that there is still one member of staff who is in a vulnerable position and would hope this situation could be resolved before the contract is awarded.

- 3.9 Employee side would like to record their thanks for being offered the opportunity by the council to put forward the staff's views during the tendering process.

#### **4. ENVIRONMENTAL, CRIME AND DISORDER, FINANCIAL AND EQUALITY AND DIVERSITY IMPLICATIONS**

- 4.1 These implications have all been covered in the reports considered by the Community Overview and Scrutiny Panel and the Task and finish Group.

#### **5. PORTFOLIO HOLDERS' COMMENTS**

##### **Health & Leisure**

- 5.1 I would like to thank all members of the Task and Finish group, Community Overview & Scrutiny Panel together with Officers of the Council and our Advisor for the work they have done to get us to the position as set out within this report.

I believe we should look to complete the arrangement as set out with Mytime Active as I believe the partnership should bring significant benefits to the golf course, its users as well as providing financial benefits to council taxpayers.

##### **Finance & Efficiency**

The financial benefits that this arrangement will bring both to our annual revenue budget, of approximately £100,000 and our asset portfolio are welcome. It further demonstrates our commitment to bring about improvements in service whilst delivering better value for money. Given the financial challenges we face now and in the future it also highlights our openness to working with other partners to deliver better outcomes for our community.

#### **6. THE CABINET RECOMMENDS:**

- 6.1 That the Council accept Mytime Active's bid for the future management and operation of Dibden Golf Centre;
- 6.2 That the Council authorises the Executive Director, in consultation with the Finance & Efficiency and Health & Leisure Portfolio Holders, the Head of Legal & Democratic Services and the Head of Leisure Services to finalise the details of the arrangements between the parties and to enter into all necessary legal documentation to give effect to the decision in 1 above subject to the financial parameters set out in Appendix A attached hereto

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**Background Papers:**  
Published documents  
& Exempt Appendix A