

PERTH AND KINROSS COUNCIL

Environment and Infrastructure Committee

30 October 2019

North Inch Golf Course Annual Report 2018/19

Report by Executive Director (Housing and Environment) (Report No. 19/313)

This report brings forward the North Inch Golf Course - Annual Report 2018/19, based on the previously approved Business Plan.

1. BACKGROUND / MAIN ISSUES

- 1.1 In March 2016, the Environment Committee approved the North Inch Golf Course – Business Plan (Report No.16/141 refers). The Business Plan was developed in order to deliver an improving service that reflects the demands of its users while providing Best Value.
- 1.2 The North Inch Golf Course Business Plan primarily focuses on retaining and strengthening the relationship with existing users through continuous consultation. This is to ensure that the golf course remains both affordable, accessible and enjoyable to play, while adding further value through season tickets.
- 1.3 It also emphasises the need to gain new customers by raising awareness of the North Inch Golf Course within the catchment area, as well as targeting the Perthshire visitor market.
- 1.4 Over a 6 year period, it sets out an action plan for both promoting and developing the course. This is with a view to improving the users' perception of the course, reducing the operating deficit and aspiring to achieve full cost recovery.
- 1.5 In terms of delivering these objectives, the aim of the North Inch Golf Course is to provide a well maintained, accessible and affordable golf facility. Promoting a family centred, healthy lifestyle in a friendly and relaxed atmosphere, the focus of the business plan is on the following core areas of:
 - golf course maintenance
 - attracting and retaining season ticket holders
 - visitor golfers
 - partnerships and outreach
 - creating new golfers – ladies, gents & juniors
- 1.6 For each of these core areas, Key Performance Indicators (KPIs) were developed to determine whether the objectives are on track. These are reported on and highlighted within Appendix 1 and 2.

- 1.7 At a national level, golf in Scotland finds itself at a crossroads. In the last decade, the number of adult playing members has decreased significantly to below 200,000 members, offset by an estimated 750,000 non-members who play the game in Scotland every year.
- 1.8 In addition, almost 90% of registered members are age 35 or over, with the majority of members between the age of 55 and 74.
- 1.9 Dundee City Council have recently announced the closure of Camperdown Golf Course from 1st April 2020, due to reduced usage and increased subsidy. This will leave Dundee with a single public golf course at Caird Park.
- 1.10 Golf in Scotland requires a new direction to provide greater opportunity for investment and growth to support clubs and players at all levels. Recent years has seen ever decreasing resources being invested in golf in Scotland from membership affiliation income, commercial revenue and funding partners. Scottish Golf have developed a new Scottish Golf Strategy for 2019-2022.
- 1.11 Already, the recent merger of the Scottish Golf Union and Scottish Ladies' Golfing Association has given Scottish Golf a platform on which to undertake the next phase of the modernisation programme. This includes significant growth in revenue generating investment to deliver in five key areas by 2022. The following paragraphs outline these areas with the work the Council has undertaken to address them.
- 1.12 The Scottish Golf Mission is intended to deliver:
- **Stronger clubs at the heart of their community.**
 - The Council is working with North Inch Golf Course User Group and Perth Artisan Golf Club with a view to potentially move the operation of the golf course to the Perth Artisan Clubhouse, located next to the second tee. The current golf starter's box is inadequate for the continued development of the golf course. There are currently no welfare facilities for staff or users, no running water and no meeting space. The Perth Artisan clubhouse has changing rooms, welfare facilities (gents and ladies) and a club room, which can seat around 30 people. The clubhouse is currently under-utilised and Perth Artisan golf club are keen to see it used to its full potential. A 4-week trial of operating from the clubhouse was undertaken during April/May this year. During this time a parking survey was undertaken and feedback of the change was sought from users. North Inch Golfers Group are due to evaluate the data and decide upon the next step at their meeting in October. The outcome of this meeting will then be communicated with all golf course users and other interested parties.
 - **Growth in participation leading to a growth in membership.**
 - North Inch Golf Course has grown its junior season ticket holders from only 5, to 65 and now boasts one of Perthshire's largest junior sections. Weekly coaching sessions are held for young golfers, along with Easter and Summer golf camps. Multiple categories of season ticket have

been introduced to attract the underrepresented 19 to 29 year old players, helping transition them from junior golfers to full season ticket holders. Over a 4 year period, we have increased our overall season ticket holder numbers from 175 to 363 (207%).

- **To develop winning golfers at all levels of the game.**
 - Introductory golf lessons are run as part of a 'Get into Golf' season ticket. These sessions are open to both gents and ladies and they are seen as a great way to bring the entire family to golf. This will help nurture new golfers into potential competitive players in the future.
- **To lead and influence positive change within the game.**
 - For the past 3 ½ years, North Inch Golf Course has been involved in running 'Golf Memories' group, along with the Council's equalities team and in conjunction with Alzheimer Scotland. Golf Memories gives dementia sufferers the opportunity to play the game they previously enjoyed but had to give up. The group feel achievement through their play and are competitive in the weekly putting competition. These sessions run 44 weeks per year.
- **Scotland playing a leading role in the development of golf**
 - North Inch Golf Course is a member of 'Golf Perthshire' which is a joint marketing group made up of Perthshire Golf Clubs, accommodation providers and visitor attractions. Perthshire is being marketed as the world's most 'family friendly' golf destination. Every golf club in the county has agreed to offer free green fee tickets to any junior golfers playing with a paying adult. At the North Inch, we enhance this by offering free golf club hire to both adults and juniors, helping make access to the sport even more affordable. Our Golf Course Officer, Niall McGill is currently Chairman of Golf Perthshire.
 - With the Solheim Cup being played at Gleneagles in 2019, we have been working in conjunction with North Inch Golf User Group to grow and develop golf on the North Inch. This is a great opportunity to benefit from the profile that Perthshire golf will have as a result of the event. North Inch Golf Course has run a series of women, girls and family golf taster sessions. These have been really well received with every session being fully booked. This has resulted in over 100 people taking part in golf coaching activities at North Inch. A hickory golf event was played during the week of the Solheim Cup. This highlighted the history of North Inch Golf Course, with participants playing golf using historic wooden shafted clubs, before going to Royal Perth Golfing Society (the world's oldest Royal club).
 - A new layout for our footgolf course located directly adjacent to the 1st hole of the golf course was opened in June 2018. This has increased availability for play by being open 7 days a week. This has proven popular and has helped increase revenue.

1.13 The maintenance of North Inch Golf Course was brought back in house from April 2018 when the previous contract ended. The green keeping staff

transferred into the Council and became part of the Community Greenspace team, working under the direction of the Golf Course Officer. The in house operation has increased capacity allowing for a wider scope of works to be carried out. Remedial and improvement works can now be undertaken 'in house' which has already seen the complete reconstruction of the 6th hole teeing area. This work would have previously incurred a cost of around £5,000 to £7,000. The in-house operation has also allowed us to explore opportunities with local golf clubs to share resources, such as specialised maintenance equipment.

- 1.14 The summer of 2018 could not have been any different to that of 2017. We were bathed in sunshine over the summer months, as opposed to the wettest summer for 90 years the previous year. The favourable weather and continuing improvement to the golf course condition saw a marked improvement to income (£113,995 vs £82,454), an increase of £31,541. The VAT exemption, effective 1st April 2018 accounted for £18,341 of this increase and the balance of £13,200 from trading. More detailed information can be found in Appendix 1 and 2.
- 1.15 The result of improved trading over the past 4 years has been a significant reduction in the annual subsidy required by the golf course. In 2014/15 the golf course required subsidy was £167,518, although this reduced to £82,186 in 2018/19, which is ahead of the business plan projection of £93,513. In light of this, there has been investment in some maintenance equipment for the golf course. This will help reduce future budget pressures and further improve conditions and as a result, potential revenue.
- 1.16 At the Council's revenue budget setting meeting in February 2018 (Report No.18/47 refers), it was agreed to remove the North Inch Golf Course subsidy in financial year 2020/21, moving to full cost recovery. This is one year ahead of the business plan and could potentially result in a budget pressure in financial year 2020/21. Nevertheless, every effort will be made to deliver this objective and the budget will be closely monitored.
- 1.17 Therefore, in line with the North Inch Golf Course business plan and with the objective of attaining full cost recovery, annual season ticket prices will need to increase by 15-20% in financial year 2020/21. Current season ticket prices are approximately 60%, or less than that of local private member club fees. With the improved condition of North Inch Golf Course, it is believed that the proposed increase in costs will remain exceptional value for money and will still only reach 65% of private club fees in the event that they do not also increase costs. It should be noted by comparison, that Dundee City Council's decision to close Camperdown Golf Course was based on saving a subsidy of over £400,000 for a diminishing number of users.
- 1.18 In late 2017, The Court of Justice of the European Union found, in the case of the London Borough of Ealing (Case C 633/15), that the UK had incorrectly excluded local authorities from the VAT exemption for the provision of sporting facilities. Local authorities had been excluded from the exemption to ensure that there was no distortion of competition. However, the court decided

that any restriction on those grounds had to be applied to both public bodies, as well as private non-profit-making bodies providing sporting facilities. It followed that local authorities were entitled to treat those supplies as exempt from VAT, provided that they did so on a consistent basis. HMRC has accepted the decision. As a local authority run golf course, we had been at a competitive disadvantage with private members golf clubs who have been exempt of VAT. From 1st April 2018, VAT has no longer been charged on annual season tickets or daily green fees, but charging is still based on the equivalent of the VAT inclusive rate to maintain income generation, and address the issues outlined in section 1.16.

2. PROPOSALS

- 2.1 In order to keep the Committee informed of progress against the business plan, it was agreed that annual reports be brought before the Committee in November each year, covering the preceding financial year. This annual report for 2018/19 highlights a favourable performance against the Key Performance Indicators in the business plan, including season ticket holder levels, visitor rounds and actual income against the financial projections. It is, therefore, proposed that the current management arrangements for the golf course are fully supported and endorsed to ensure this excellent performance is maintained.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 The implementation of the 6 year North Inch Golf Course Business Plan has seen increased levels of income, activities and positive reviews of the North Inch Golf Course. This is in line with projections within the Business Plan at this stage.
- 3.2 It is therefore recommended that the Committee:
- (i) notes the North Inch Golf Course Annual Report 2018/19.
 - (ii) requests that the Executive Director (Housing and Environment) brings the 2019/20 Annual Report to Environment and Infrastructure Committee in November 2020.
 - (iii) requests that the Executive Director (Housing and Environment) brings a realigned and extended business plan to the Environment and Infrastructure Committee in November 2020

Authors

Name	Designation	Contact Details
Niall McGill	Golf Course Officer	HECommittee Reports@pkc.gov.uk 01738 475000
Andy Clegg	Community Greenspace Manager (Interim)	

Approved

Name	Designation	Date
Barbara Renton	Executive Director (Housing and Environment)	18 October 2019

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	Yes

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 This section sets out how the proposals relate to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of the following priorities:
- (i) Giving every child the best start in life
 - (ii) Developing educated, responsible and informed citizens
 - (iii) Promoting a prosperous, inclusive and sustainable economy
 - (iv) Supporting people to lead independent, healthy and active lives
 - (v) Creating a safe and sustainable place for future generations
- 1.2 This report relates to (i) to (v) above by providing a well maintained, accessible and affordable golf facility. Promoting a family centred, healthy lifestyle in a friendly and relaxed atmosphere.

Corporate Plan

- 1.3 This section sets out how the proposals relate to the achievement of the Council's Corporate Plan Priorities:
- (i) Giving every child the best start in life;
 - (ii) Developing educated, responsible and informed citizens;

- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.4 This report relates to (i) to (v) above by providing a well maintained, accessible and affordable golf facility. Promoting a family centred, healthy lifestyle in a friendly and relaxed atmosphere.

2. Resource Implications

Financial

- 2.1 There are no resource implications arising from the report outwith the existing budget for the North Inch Golf Course.

Workforce

- 2.2 There are no workforce implications arising from the report.

Asset Management (land, property, IT)

- 2.3 The potential shared use of the Perth Artisans clubhouse would see improved welfare facilities for staff and users.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups.
- 3.2 Carrying out Equality Impact Assessments for plans and policies allow the Council to demonstrate that it is meeting these duties.
- 3.3 The function, policy, procedure or strategy presented in the North Inch Golf Course Annual Report 2018/19 was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- Assessed as relevant for the purposes of EqIA, with a positive impact, that retention of the North Inch Golf Course supports less mobile golfers, due to the Course's relatively short distance and flat topography.

Strategic Environmental Assessment

- 3.4 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. The matters presented in this report were considered under the Environmental Assessment (Scotland) Act 2005 and no further action is

required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.6 The proposals have been assessed in terms of the requirements to manage the Council's Greenspace assets in a sustainable long term way.

Legal and Governance

- 3.7 The Head of Legal and Governance and the Head of Democratic Services have been consulted on the content of this report.

Risk

- 3.8 The business plan will be subject to influences from the wider golf market.

4. CONSULTATION

Internal

- 4.1 The Head of Legal Services, the Head of Democratic Services and the Head of Finance have been consulted on the content of this report.

External

- 4.2 The North Inch Golf Course User group have been consulted.

5. COMMUNICATION

- 5.1 The Annual Report will be communicated to the North Inch Golf Clubs and Users

2. BACKGROUND PAPERS

- 2.1 The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing the above Report; (list papers concerned).

- Report to the Environment Committee in March 2016 entitled North Inch Golf Course – Business Plan (Report Number 16/141)

- Report to the Environment, Enterprise and Infrastructure Committee in November 2017 entitled North Inch Golf Course Annual Report 2016-17 (Report Number 17/368)
- Report to the Environment and Infrastructure Committee in November 2018 entitled North Inch Golf Course Annual Report 2017-18 (Report Number 18/369)

3. APPENDICES

- 3.1 Appendix 1: North Inch Golf Course Performance Summary Report 2018/19.
- 3.2 Appendix 2: North Inch Golf Course Annual Report 2018/19.