

Name of decision maker:	Cllr Colette Wyatt-Lowe
Portfolio:	Community Services
Date of Portfolio Holder Decision: 30 October 2007	
Title of Decision:	
Transfer the management of Little Hay Golf Complex to Dacorum Sports Trust	
Decision made and reasons: Agree the transfer of Little Hay Golf Complex to Dacorum Sports Trust on 1 st December 2007. The reasons for the decision to transfer are the same as in the Cabinet report 22 nd February section eight, conclusion.	
Reports considered: <ul style="list-style-type: none">▪ Landscape and Recreation Best Value Review (2003)▪ Little Hay Golf Complex Service Review▪ Little Hay Golf Complex Improvement Plan▪ Financial review of the in-house delivery and the sports trust delivery options.▪ Task and Finish meeting 13th January 2006▪ Overview and Scrutiny meeting 8th February 2006▪ Overview and Scrutiny meeting 24th May 2006▪ Cabinet Report of 27th June 2006 Little Hay Golf Complex Service Review▪ Cabinet report of the 24th October 2006 "Little Hay Golf Complex Future Provision."▪ Cabinet report of the 22nd February 2007 "Negotiation with Dacorum Sports Trust over the Future Provision of Little Hay Golf Complex."▪ Sports Turf and Research Institute Report – May 2007▪ Mark Smith – Options Appraisal Assessment- Summer 2007	
Officers/Councillors/Ward Councillors/Stakeholders Consulted: <ul style="list-style-type: none">• Senior Manager Community and Cultural Services.• Employees• Head of Property & Asset Management.▪ Head of Accountancy and Exchequer Service.▪ UNISON.▪ Principal Personnel Officer.▪ Head of Legal and Democratic Services.▪ Little Hay Golf Club	
Monitoring Officer/Chief Financial Officer Comments: The Monitoring Officer's comments are incorporated in the report.	

Implications:

Risk: Income from golf is very dependent on weather conditions and is also subject to demand changes dependent on local competition and national trends. There is currently a downward trend in income levels taking income below the business case figures. If the Trust can reverse this trend to back to 2005/06 attendance levels then the figures reported will be achieved. If course income levels increase beyond the business plan then the Council's grant would reduce even further giving greater savings. On the other hand if income levels stay low, even after all the new course improvements and marketing that is planned then the agreement is for the Trust and the Council to share that loss of income.

Value for Money – By increasing the size of the business of the Sports Trust to give efficiencies and giving Golf provision charitable status it is possible to reduce the net cost of the Sports Trust grant giving savings of £59k in 2008/09 rising to £170k in 2010/11.

IDP

This project is within the Improving Dacorum Programme.

Options Considered and reasons for rejection:

Other options were considered at Social Overview and Scrutiny during the Best Value Review. These included privatisation/market testing, ending the service, creating a separate new trust and retaining the in house service. These were rejected and the decision to move to the option of transfer to the already existing Sports Trust has again been recently validated from an independent external source in the Mark Smith Report.

Portfolio Holders Signature:**Date:****Details of any interests declared and any dispensations given by the Standards Committee:****For Member Support Officer use only**

Date Decision Record Sheet received from portfolio holder: 30 October 2007

Date Decision Published: 30 October 2007 Decision No: PH/058/07

Date of Expiry of Call-In Period: 6 November 2007

Date any Call-In received or decision implemented:

BACKGROUND

In February Cabinet considered a proposal to transfer Little Hay Golf Complex to Dacorum Sports Trust.

The intention was to transfer the service in June 2007. However issues relating to property occupied by staff and advice from Property and Asset Management to undertake a further analysis of the proposal resulted in a rescheduling of the project. In addition to this there has been prolonged negotiation with the trust in terms of the investment needs. Members will be aware that reports to Social Overview and Scrutiny Committee, and Cabinet have repeatedly shown a recognition of future investment needed in the service. There has also been significant discussion about a possible redevelopment of the existing clubhouse on the site at some stage in the future and how this might occur.

The lease will run for 17 years to co terminate with the remaining leases on the sports centre. Depending on the redevelopment this will be reviewed after five years.

On the 22nd February 2007, Cabinet agreed the following:-

1. Agree, in principle, to transfer the Complex to Dacorum Sports Trust on 30th June 2007, subject to final confirmation of the financial terms outlined in the report and final negotiation in respect of non-financial issues.
2. Delegate authority to the Portfolio Holder for Community Services:
 - 2.1. To give final approval for the transfer of the Complex to the DST subject to being satisfied as to the final confirmation of the financial terms and the outcome of any negotiations in respect of non-financial issues.
 - 2.2. To approve the co-termination of the leases, which cover the existing Council premises, occupied by the DST with the proposed Complex lease.
3. That it be agreed in principal, to consider funding a new clubhouse if the Complex is transferred to the DST, subject to achieving necessary planning permission and a satisfactory return from the DST on the investment.
4. That external improvement works identified and agreed in the Little Hay Golf Complex – Service Review, totalling £183,000, begin before the proposed transfer.

Negotiations have now been completed with Dacorum Sports Trust and a Heads of Terms written which has been agreed by both parties. Significantly, in relation to a possible demolition and complete redevelopment of the clubhouse by the Council, break clauses are contained within the agreement after five years to enable this to occur. This provides a degree of flexibility for the Council, as it will enable the Council to renegotiate a completely new lease with the Trust, if the redevelopment takes place. Alternatively, if the redevelopment does not happen, it will allow the Council to completely review the future of the golf course.

Employees will be transferred on existing terms and conditions and TUPE has been applied. The trust already has admitted body status to the Local Government Pension Scheme. Two employees who currently live in tied accommodation at the complex will be offered secure tenancies within the current Council Housing Stock. The residential value of the land appertaining to the houses, has meant that this area of land will be excluded from the lease for the time being.

There will be a number of documents that will remain outstanding at the point of transfer. A Tenancy at Will agreement has been created to enable the transfer to take place early December. This will enable the Trust to take up occupation as early as possible while the final lease is completed in the forthcoming weeks.

The future potential for the site is deemed good if managed well and developed wisely. Mark Smith confirms this in his report. The Trust can use the benefit of savings from Business Rates and Value Added Tax to reduce annual costs. They will also bring in management and other efficiencies. It is hoped that a combination of the Council's investment in the course and the Trust's plans to increase throughput and catering income will see a business plan achieved that will allow continued reductions in the grant to that is required from the Council.

An initial 3-year agreement is to reduce the grant in 2008/9 by £59k, 2009/10 by £116k and 2010/11 by £170k. This would include an understanding that there would be no inflationary increase given to the Trust for 3 years. Part of the negotiation is to share risks and profits relating to course income (not catering and other sales). Bearing in mind that the current levels of course income are at the lowest point for some years it would not be acceptable to the Trust or, indeed any private sector organisation to guarantee much higher levels at the outset.

The arrangement is for a guaranteed grant reduction shown above as a start point each year which would be adjustable upwards by 60% of increased income but also downwards by the same percentage. If the Council were to keep the service in house the net income would be considerably less than this. Given the fact that it is expected that the Trust will be successful in increasing the local golf interest it is hoped that within 2 years it is more likely that the Council will benefit from this arrangement rather than the reverse.

The arrangements for the current year 2007/08 will include some net income for the Council but the final figures will be agreed once the costs and income levels at the end of October have been established. It should be stressed that given the fact that the proposed start of the contract is now December not June it will not be possible to achieve the initial £50k reduction as first estimated.

Dacorum Borough Council's continued liaison with the Sport Trust adding Little Hay to their portfolio ensures that DBC has future input into the decisions made regarding the golf complex and can monitor the results.

This project is part of the Improving Dacorum Programme.