

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

18 NOVEMBER 2010

REPORT OF THE DIRECTOR OF TECHNICAL SERVICES

GOLF INCOME

1.0 EXECUTIVE SUMMARY

1.1 This report is in response to a request from this Committee for further information on income collection on Wirral's municipal golf courses. It is recommended that the report be noted.

2.0 BACKGROUND

2.1 At its meeting on 21 September 2010 the Council Excellence Overview and Scrutiny Committee considered a report by the Director of Finance on Revenues and Benefits (Minute 49 refers). The Director of Finance provided information on the position regarding Council Tax, National Non Domestic Rate, general debt and cash income collection and the payment of benefits. Members expressed their concern in relation to income from golf courses, which was anticipated to underachieve against the budget by £175,000. Members noted that the budget for golf income had not been achieved for at least the last three years and referred to a commonly held belief that people were using the municipal golf courses without having paid to do so. The Committee resolved "That the Head of Cultural Services be requested to investigate the issues in relation to golf course income, including measures in place to ensure that people paid to play, and present a report to the next meeting of the Committee".

3.0 CURRENT POSITION

3.1 The financial position reported to the Scrutiny Committee on 21 September was as follows: -

2009/10 Budget	Income to 31 Jul 09	2010/11 Budget	Income to 31 Jul 10
£912,200	£441,978	£939,600	£422,463

3.2 The report stated that it was anticipated that income will underachieve against budget by £175,000 and that the budget for golf income has not been achieved for at least the last three years.

- 3.3 The latest budget figures to the end of September 2010 indicate the budget underachievement is now likely to be £185,000. However, the expenditure for golf is projected to be around £40,000 below budget, which would give a net underachievement of £145,000.
- 3.4 Golfers pay at the golf shop at each of the four golf courses. Many of the golfers purchase annual contracts but people are allowed to pay for individual games. Two Golf Patrol Officers are employed to patrol the courses and to check that golfers have paid and to collect the appropriate fees from them if they have not paid. Unfortunately the additional income collected by the Golf Patrol Officers is less than the total cost of employing them. Golfers who have not paid are not always willing to pay when challenged by the Golf Patrol Officers. Many run off or refuse to pay and leave the course rather than pay.
- 3.5 Employing more Golf Patrol Officers would increase the income collected but this would not be enough to cover the additional staffing costs and the net result would be an even bigger shortfall in the budget.
- 3.6 The Parks and Countryside Service Procurement Exercise (PACSPE) includes the management and maintenance of golf courses and there is an opportunity for the Council to increase the profitability of the golf courses through partnership with a contractor. The golf courses need to be considered as a business which in most years makes a small operating profit. It is however a leisure business operating in a commercial environment in competition with other commercial golf courses and golf clubs. Income and profitability varies from year to year and is influenced by the economic climate (and the amount of money people have to spend on leisure activities) and the number of other courses and the amounts they charge. Golf has seen a reduction in demand with many courses offering discounts and special offers to attract customers. Despite this the income targets for the municipal courses have been raised each year and they are now at unrealistic levels
- 3.7 The quality of the courses and associated facilities compared with non-Council facilities is also a factor. The courses need to be able to cope with very wet weather when inadequate drainage can render some of the courses partly or completely unplayable. They also need to be able to cope with very dry weather in the summer months when inadequate irrigation facilities can damage the quality of the greens. Investment in drainage and irrigation can produce an increase in use and income. Investment in other elements of the infrastructure such as toilet and club house facilities can also help to increase use and income. Investment in new and improved maintenance equipment would also allow the maintenance staff to improve the quality of the greens, fairways and rough, which all require specialist equipment.

- 3.8 Golf income is closely monitored and reported throughout the year; the Director of Finance provides all members with a monthly statement which includes information on volatile income areas, the quarterly Revenue and Benefits report, which comes to this committee, provides more detail of those volatile areas including golf courses. Cabinet also receives a quarterly Performance and Financial Review report with the Financial Monitoring Summary appendix being placed in the web library.

The golf course income for previous years is as below. This shows that income reduced from a peak in 2006/07, and has remained reasonably constant since, although the income target has increased.

Year	Budget	Actual	Variance
2006/07	830,700	866,954	-36,254
2007/08	859,800	746,647	113,153
2008/09	885,600	709,075	176,525
2009/10	912,200	759,982	152,218
2010/11	939,600	759,300 (expected)	180,300

4.0 FINANCIAL IMPLICATIONS

- 4.1 The four municipal courses make a surplus of income over expenditure each year but the present income target for golf is unrealistic and will be reviewed as part of PACSPE.

5.0 STAFFING IMPLICATIONS

- 5.1 There are none arising directly from this report.

6.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 6.1 The municipal golf courses are open to the general public on a pay as you play basis. Golfers do not have to be members of a club.

7.0 HUMAN RIGHTS IMPLICATIONS

- 7.1 There are none arising directly from this report.

8.0 COMMUNITY SAFETY IMPLICATIONS

- 8.1 There are none arising directly from this report.

9.0 LOCAL AGENDA 21 IMPLICATIONS

- 9.1 There are none arising directly from this report.

10.0 PLANNING IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 ANTI-POVERTY IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 SOCIAL INCLUSION IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 LOCAL MEMBER SUPPORT IMPLICATIONS

13.1 Arrowe Park Golf Course is in Pensby and Thingwall Ward. Brackenwood Golf Course is in Bebington Ward. Hoylake Golf Course is in Hoylake and Meols Ward and Warren Golf Course is in Wallasey Ward.

14.0 ACCESS TO INFORMATION ACT

14.1 None.

15.0 RECOMMENDATIONS

15.1 That the report be noted.

David Green
Director of Technical Services Department

This report was prepared by Jim Lester who can be contacted on 606 2082.