

Subject:	Hollingbury Park and Waterhall Golf Courses – Award of management contract		
Date of Meeting:	9 December 2009		
Report of:	Director of Environment		
Contact Officer:	Name:	Ian Shurrock	Tel: 29-2084
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Key Decision:	Yes	Forward Plan No: CAB12843	
Wards Affected:	Hollingdean & Stanmer; Withdean		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report provides members with the outcome of the tender process to seek an external operator to manage the council owned public golf courses at Hollingbury Park and Waterhall.
- 1.2 The report sets out the current management arrangements for the golf courses, the potential for improving the golf service, and the tender process to seek an external operator to achieve that potential. A brief evaluation of the tenders received is provided within this report.

2. RECOMMENDATIONS:

- 2.1 That Cabinet approves and authorises officers to accept the tender received from Tender A to manage Hollingbury Park and Waterhall golf courses for a period of 10 years commencing 1 April 2010.

3. BACKGROUND INFORMATION**Current management arrangements**

- 3.1 Currently the management arrangements for the golf courses are complicated with several parties involved. This hampers the effectiveness of the service that is delivered with a consequent negative impact on the quality of golf experience, the number of golfers and consequent financial performance. The financial performance has worsened in recent years resulting in a subsidy being required to operate the courses.

At present the management arrangement are as follows ;

Landlord responsibilities	- B&HCC Sport & Leisure
Greenkeeping	- B&HCC City Parks
Clubhouses	- Golf Clubs (HollingburyPark & Waterhall)
Catering	- Franchisee of each club

Golf shops - Hollingbury Park – Golf professional with management agreement with B&HCC
Waterhall – B&HCC golf assistants

- 3.2 Legal agreements have been in place with the respective golf clubs for many years to manage the clubhouses on behalf of the council. These agreements, together with the contract for golf professional services can now all be drawn to a close providing the opportunity for new management arrangements. The golf clubs are voluntary organisations and do not have the capacity or desire to meet the requirements for managing public facilities. The golf clubs would continue as resident clubs offering competitive golf and social events without management responsibility.

Tender process

- 3.3 Soft market testing which involved structured interviews with existing external operators of council golf courses took place to identify options for management arrangements. These interviews confirmed the potential for a single operator to greatly improve the quality of the golf service by a co-ordinated approach to the provision of all the major elements required to provide fully functioning golf courses.
- 3.4 In addition, there was genuine interest in managing both courses for the council, although it was clear even at this stage that a contract would need to be for a minimum period of 10 years in order to attract a level of investment. This investment is required for grounds maintenance machinery and equipment, in the courses themselves and the clubhouses. It was also confirmed that the two golf courses, which are set in picturesque settings on the South Downs (with excellent drainage offering year round play) have potential to provide a quality golf service.
- 3.5 The Cabinet Member for Culture, Recreation & Tourism agreed at the Cabinet Member Meeting on 14 July 2009 for an external operator to be sought to manage the two golf courses. The other options of either continuing with the status quo or bringing the whole operation in-house were not selected, as both could potentially worsen the financial position for the council.
- 3.6 The Culture, Tourism and Enterprise Overview and Scrutiny Committee was also given the opportunity to comment of the procurement process at their meeting on 2 July 2009. This consultation helped to inform the draft tender specification documents and confirmed that there was no intention to “sell off” the courses. The committee expressed a desire to ensure that the council would continue to be involved in approval of the pricing structure. A workshop with the scrutiny committee on 9 September considered a final draft of the tender documents. Minor amendments were made prior to the invitation to tender (ITT) document being issued to interested parties that had met the criteria of the pre qualification questionnaire (PQQ).

- 3.7 The council's overall aims for the contract are to :
- ensure the long term future of the courses through an effective partnership between the council and external operator, improved management and investment
 - increase the level of golf development activities
 - achieve service and customer improvements through the unification of all golf services under single management
- 3.8 In terms of the contractors responsibilities, the council wanted to appoint a contractor who would be responsible for all aspects of the management and maintenance of the two courses and their associated facilities to include :
- The issue of tickets and collection of fees
 - Advance and other booking arrangements including those for competitions, society days and special events
 - Provision of golf professional services including advice to players, tuition and equipment repair
 - Management of golf shops including purchase and sale of stock , cleaning , maintenance and decoration
 - Management of clubhouses including the provision of catering and bar services, arrangement of social events, cleaning , maintenance and decoration
 - Management of course, car parks, outbuildings and other course infrastructure and equipment
 - Course greenkeeping and supervision
 - Provision of a golf development programme
 - Marketing and promotion of the courses and their associated services
 - Obtaining and maintenance of all necessary licences and permissions relating to the operation and management of the facilities.
- 3.9 Seven external operators that were invited to tender took part in open days to visit the two golf courses and subsequently five tenders were received. This represented a "good test of the market" to achieve value for money for the golf service particularly as a range of operators were interested including :
- Not for profit organisations (leisure trusts) with experience of managing local authority sports facilities and/or golf courses
 - Private specialist golf management companies with experience in managing local authority golf courses
 - Private specialist golf management companies with experience in managing private golf courses

Tender evaluation

- 3.10 The tenders were evaluated by members of the golf tendering project team including:

Environment (including the Head of Sport & Leisure and the Head of Service Improvement & Sports Facilities Development Officer)
Strategy & Governance - HR Business Manager and Pensions Manager
Finance & Resources – Environment Accountant

In addition, the procurement process was supervised and legal support provided by:

Finance & Resources – Procurement Manager
Strategy & Governance – Contract Lawyer

- 3.11 The tenders were evaluated using the two main criteria of price (52%) and quality of service (48%). Each criteria was scored as per the weighting below and then converted into an appropriate percentage for the total score for each tender bid.

Price Evaluation Criteria (52%)

Price	Weightings
Tender Price in the Form of Tender	70%
Sustainability of income projections	10%
Sustainability of expenditure projections	10%
Investment Proposals [adequacy of financial provision]	10%
	100%

Quality Evaluation Criteria (48%)

Quality Criteria	Weightings
Capability and Resources	6%
Staff	18%
Quality Management	8%
Health and Safety/ Environment	12%
Maintenance	18%
Operation	20%
Service Proposals	18%
	100%

- 3.12 As well as requesting potential tenders for the management contract, tenderers were also requested to submit investment proposals. These proposals were evaluated with regard to the tenderers adequacy of financial provision to make such investments.
- 3.13 Full results of the evaluation process are set out in Part 2 of the report.

4. CONSULTATION

- 4.1 Consultation has taken place with staff who would TUPE transfer to a new operator and trade unions. In addition, consultation has taken place with the golf clubs and golf professional at Hollingbury Park.

5. FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications:

The financial analysis undertaken as part of the tender evaluation demonstrates that the successful contractor is most likely to provide the best value for money as set out in the part 2 report. A full financial summary is detailed in the part 2 report.

Finance Officer Consulted: Derek Mansfield

Date: 24/11/09

5.2 Legal Implications:

The services described in this report exceed the applicable threshold for the purposes of EU procurement law and UK procurement Regulations. However they are classified as Part B (non priority) services under said legislation and therefore subject to minimal procedural requirements. In addition the Council is required to demonstrate fairness, transparency and value for money in all purchasing. The tender process described in this report indicates compliance with all relevant requirements. The value of the contract is in excess of £75,000 and so must be in a form approved by the Head of Law. The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations contained in this *report*

Lawyer Consulted: Sonia Likhari

Date: 24/11/09

5.3 Equalities Implications:

The operation of public golf courses that are accessible to the local community is important to increase participation in golf with subsequent health and well-being benefits.

5.4 Sustainability Implications:

The operator is required to establish clear guidelines for environmental good practice to reduce the environmental impact of the management of the courses.

5.5 Crime & Disorder Implications:

There are no crime and disorder implications to consider.

5.6 Risk & Opportunity Management Implications:

The operator will be monitored by the council to ensure that the requirements of the contract will be met.

5.7 Corporate / Citywide Implications:

There are no corporate/city wide implications to consider.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 These were considered at the Cabinet Member Meeting on 14 July 2009 as indicated in 3.5 of this report.

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 This is included in the part 2 report.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents In Members' Rooms

None

Background Documents:

1. Report to Culture, Recreation & Tourism Cabinet Member Meeting on 14 July 2009
2. Report to Culture, Tourism and Enterprise Overview and Scrutiny Committee on 2 July 2009
3. Tender documentation papers submitted by the five tenderers