

**AGENDA ITEM: 9**

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Meeting	Cabinet Resources Committee
Date	21 July 2005
<b>Subject</b>	<b>Parks Golf Courses</b>
Report of	Cabinet Member For Resources Cabinet Member For Policy and Performance
Summary	To report the result of the marketing and tender invitation for the former golf courses in Tudor Recreation Ground, Oak Hill Park and Bethune Recreation Ground

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Officer Contributors	George Church, Principal Valuer, Property Services and Valuation Group
Status (public or exempt)	Public – with a separate exempt report
Wards affected	Hadley, East Barnet and Friern Barnet
Enclosures	None
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

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## **1. RECOMMENDATIONS**

### **1.1 That the following tender offers be accepted:**

**A. Tender offer from Mr Ian Leo Scagnelli and Mr Paul Alexander Leo Scagnelli be accepted in respect of their offer for Oak Hill Golf Course and Bethune Golf Course.**

**B. Tender offer from Golfwise Limited in respect of Tudor Golf Course.**

### **1.2 The appropriate Chief Officers be instructed to proceed with granting leases of the above golf courses on the principal terms set out in this and the exempt report and in forms to the Legal Department's approval**

## **2. RELEVANT PREVIOUS DECISIONS**

2.1 Cabinet Resources Committee – 24 July 2002 - That the Head of Leisure and Youth Service and the Head of Regeneration be instructed to arrange for the transfer of the management of the following golf courses to Golfwise Limited:-  
Bethune Park, Friern Barnet  
Tudor golf Course, Clifford road, Barnet  
Oak Hill Park, Parkside Gardens, East Barnet

2.2 Cabinet Resources Committee – 28 April 2005, agreed that, in variation of the committee's previous decision, the appropriate Chief Officers be instructed to carry out the marketing of the three former golf courses and that the marketing be on the basis of inviting bid proposals for golf use or other uses compatible with the status of the land and the immediate vicinity.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

3.1 The corporate plan commits the council to improved asset and contract management. In line with this the proposals in this report will do this firstly by enabling the courses to be kept open for enjoyment by the golf playing public and secondly by generating a revenue stream from the properties not previously received by the council.

## **4. RISK MANAGEMENT ISSUES**

4.1 The marketing particulars made it clear that the successful tenderers are expected to enter into a formal lease within 8 weeks of the acceptance of their offer. This will ensure that the courses are brought back into full use at the earliest opportunity.

4.2 The risk to the council from public liability claims arising from the public being struck by golf balls has been addressed by ensuring that the tenders have a satisfactory level of public liability cover, detailed in the exempt report.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 Details of the offers received are set out in the exempt part of the report. The marketing did not require tenderers to adhere to any particular pricing policy. The successful tenderers will have to set fees and prices according to what the market is prepared to pay. The Council is not guaranteeing any level of income.
- 5.2 There is currently no budget provision for the maintenance of the golf courses prior to disposal or future rental income. These will be taken into account as part of the revenue monitoring and budget process. Given this situation, should it not be possible to conclude leases for these sites, the council will need to review their future use and maintenance.
- 5.3 There are no staffing or ICT issues. The property implications are set out below

## **6. LEGAL ISSUES**

- 6.1 None

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property
- 7.2 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **8 BACKGROUND INFORMATION**

- 8.1 In 2002 an attempt was made to transfer the management of the three golf courses as going concerns to Golfwise Limited. Despite protracted negotiations it was not possible to reach an agreement satisfactory to both parties - the main stumbling blocks being over the long term investment in the courses and their maintenance.
- 8.2 Since the above failed negotiations, the Council staff working at the courses have either been re-deployed or made redundant and the running of the courses as a 'business' operation has ceased. Thus, the circumstances with the courses has now changed so that a requirement for significant long term investment in the courses was not made a condition of the marketing terms. This is not to say that potential lessees will not be required to keep the courses in good condition. Nor will they be denied to ability to invest in improvements if they so wish.

- 8.3 On this occasion a straightforward marketing of the courses with vacant possession has been undertaken. Interested parties were invited to make tender offers for the grant of a leasehold interest in either one, two or all three courses. Non binding tenders were invited and tenderers were able to make either rental or capital premium offers. The marketing particulars stated that the courses were available as golf courses or for other suitable use compatible with the status of the land as Metropolitan Open Land and compatible with the adjoining park/open space uses, subject to planning permission. Tenderers are to be responsible for grounds maintenance and all repairing and insuring matters concerning the properties.
- 8.4 Marketing included direct mailing to golf courses in North London, parts of Hertfordshire, and Essex. The availability of the courses was advertised on the Barnet council web site, in the local press, the Estates Gazette and Golf World magazine.
- 8.5 290 sets of particulars were dispatched. By the tender closing date 7 tenders had been received, 2 from the same tenderer who changed the basis of his tender.
- 8.5.1 The tender results and analysis are shown in Appendices A and B to the exempt report.
- 8.7 Having given proper consideration to the offers received, officers are of the view that the following offers are financially beneficial to the council as well as having the potential for improving the facilities within the parks/recreation grounds and thus benefiting the local community.

## **8.8 Oak Hill and Bethune Golf Courses**

- 8.8.1 Prospective tenants: Mr Ian Leo Scagnelli and Mr Paul Alexander Leo Scagnelli, 37 Stonard Road, Palmers Green, London N13 4DJ
- 8.8.2 The premises will be let on a 20 year lease full repairing and insuring lease at the rent set out in the exempt report.
- 8.8.3 There will be a rent free period until 1 April 2006.
- 8.8.4 The rent will be subject to an upward only review at the end of the fifth, tenth and fifteenth years.
- 8.8.5 The tenants will be responsible for suitable grounds maintenance, keeping the land and premises in good repair and condition
- 8.8.6 The tenants will be responsible for the payment of rates, services and other outgoings.
- 8.8.7 The tenants will be required to keep the premises insured to the full cost of rebuilding or reinstatement.

- 8.8.8 The tenants will be permitted to assign the whole of the premises subject to the written consent of the council, such consent not to be unreasonably withheld.
- 8.8.9 The tenants will be responsible for keeping the council indemnified against claims and liabilities made against the council up to £5m for any one claim.
- 8.7.10 The tenants will not be permitted to erect any telecommunication equipment on the property.

## **8.8 Tudor Golf Course**

- 8.8.1 Prospective tenant: Golfwise Limited, West Park Golf Centre, Waterhouse Lane, Chelmsford, Essex CM1 2RY
- 8.8.2 The premises will be let on a 30 year lease full repairing and insuring lease at the rent set out in the exempt report. The rent will be subject to an upward only review at the end of the fifth, tenth and fifteenth years.
- 8.8.3 The tenant will be responsible for suitable grounds maintenance, keeping the land and premises in good repair and condition
- 8.8.4 The tenant will be responsible for the payment of rates, services and other outgoings.
- 8.8.5 The tenant will be required to keep the premises insured to the full cost of rebuilding or reinstatement.
- 8.8.6 The tenant will be permitted to assign the whole of the premises subject to the written consent of the council, such consent not to be unreasonably withheld.
- 8.8.7 The tenant will be responsible for keeping the council indemnified against claims and liabilities made against the council up to £5m for any one claim.
- 8.8.8 The tenant will not be permitted to erect any telecommunication equipment on the property.

## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None.

BS: DP  
BT: PA