



## Belfast City Council

<b>Report to:</b>	Parks and Leisure Committee
<b>Subject:</b>	City of Belfast Golf Course
<b>Date:</b>	11 August 2011
<b>Reporting Officer:</b>	Andrew Hassard, Director of Parks and Leisure
<b>Contact Officers:</b>	Stephen Walker, Principal Parks and Cemeteries Development Manager

### 1. Relevant Background Information

The Committee is reminded that a special meeting of the Parks and Leisure Committee was held on 24 January 2011 to discuss the future of the City of Belfast Golf Course at Mallusk. A copy of the minute is attached as Appendix 1. Representatives from the club were also in attendance at the meeting.

It was agreed that the council would retain the golf course and continue to manage it within the context of a facilities management agreement framework and consider realisation of the development potential in the medium term. It was also agreed in principle that the facility management agreement be extended for a period of up to 21 years subject to:

- Further information in relation to the club's business case for replacement of the clubhouse being submitted within a period of 6 months;
- The business case to specify in detail how the redevelopment was to be financed; and
- A buy out clause being incorporated within the agreement.

The club has provided a detailed business plan regarding financing of the replacement club house within the 6 months allowed, a copy is available upon request. Council officers met with the club to progress discussions re future agreements.

### 2. Key Issues

The Committee is asked to note the following key points:

#### Replacement of the existing club house

The need for a replacement club house has been established through the

	<p>council's own property inspection process. The existing building was installed in 1985 as a temporary structure and is no longer fit for purpose. The club propose to provide a new club house which will incorporate a shop and adequate toilet and changing facilities. The estimated cost is in the region of £235,000.</p> <p>The club has considered obtaining a mortgage however it was informed that a 10 year repayment period at 7.9% pa would be offered and this was rejected by the club committee.</p> <p>It explored the potential to secure external funding and approached a number of potential funding organisations and concluded that it would be a lengthy process with no guarantee of success. In addition, this might have implications for the council in terms of the future of the site.</p> <p>It also considered using the club's accumulated building fund to meet the cost. Following discussion within its own committee it was agreed that the use of the building fund provided the most cost effective method of financing the replacement building.</p> <p>The committee is therefore asked to note that the club will be using its building funding and not obtaining a mortgage.</p> <p><u>Buy out clause</u></p> <p>Within this context the committee is asked to note that this removes the need for a buy out clause. The committee is reminded that the initial concern was that the club committee would incur a debt and liability through the mortgage and that the council may at some future date close the facility, perhaps in advance of the mortgage having been repaid. The buy out clause was intended to safeguard the individual club committee members.</p> <p>The club committee has however asked that the council incorporate within its management agreement a 'comfort clause'. The club wishes to bring a degree of longevity to the management arrangement and although the committee has agreed to a facilities management agreement of up to 21 years it has included within its decision provision to review the development potential of the site in the medium term.</p> <p>It is proposed that officers, together with Legal Services enter discussions with the club in relation to the form of the agreement which would give sufficient comfort to the club regarding the length of the agreement and the termination clauses within the context of the future development potential.</p>
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<b>3.</b>	<p><b>Resource Implications</b></p> <p><u>Financial</u> There are no capital implications.</p> <p>The facility will continue to be managed within a facility management agreement context; the revenue implications are yet to be confirmed, however, the figure for 2010 was £23,722. Net expenditure to the council in 2009 was £66,262.</p>
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	<p>The total revenue cost is likely to be in the region of £90-100,000 per annum.</p> <p><u>Human Resources</u> There are no additional human resource implications.</p> <p><u>Asset and Other Implications</u> The provision of the replacement club house will enhance the facility and will provide an opportunity for the club to generate additional income which will then be used, in line with the terms and conditions of the existing facilities management agreement, for the betterment of the facility.</p>
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<b>4.</b>	<b>Equality and Good Relations Implications</b>
	None.

<b>5.</b>	<b>Recommendations</b>
	It is recommended that the committee agree to implement its decision of 24 January 2011 to extend the facility management agreement for a period of up to 21 years subject to an appropriate agreement being drafted by the Town Solicitor and Assistant Chief Executive and subject to the appropriate management and financial arrangements being agreed.

<b>6.</b>	<b>Decision Tracking</b>
	Officer responsible: Stephen Walker Implement Actions by January 2012

<b>7.</b>	<b>Key to Abbreviations</b>
	None.

<b>8.</b>	<b>Documents Attached</b>
	Appendix 1 – minute of Special Meeting of Parks And Leisure Committee on 24 January 2011.