

Agenda item: 

**Decision maker :** Culture, Leisure and Sport

**Date of meeting:** 12 December 2014

**Subject:** Charges at Great Salterns Golf Course

**Report by:** Head of Transport and Environment Service

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

- 1.1. To present a review of the performance figures at Great Salterns Golf Course for the period April to September 2014 in order to gauge the effect of the new pricing policy (implemented in April 2014) by comparing this year's participation and income figures with previous years and with the golf market more widely.
- 1.2. To recommend golf charges for the 12 months from April 2015.

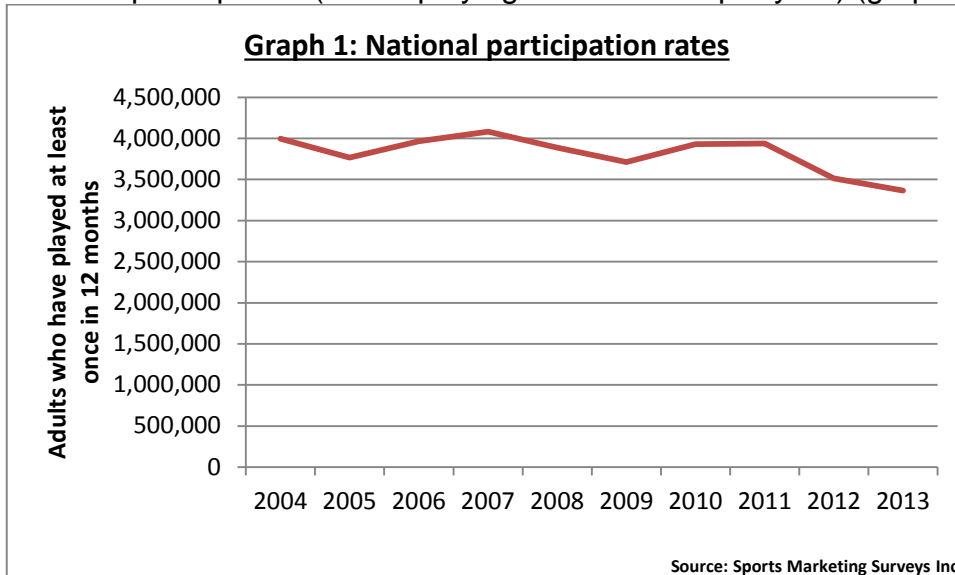
**2. Recommendations**

- 2.1. **That the Cabinet Member notes the effect of the new pricing policy on participation and income for 2014/15 and approves the continuation of this policy to encourage greater participation.**
- 2.2. **That approval is given for golf charges for 2015/16 at Great Salterns Golf Course as set out in the attached schedule.**
- 2.3. **That approval is given for putting back the start of the off-peak period from 2pm to 4pm April to September; and from 12 noon to 2pm October to March.**
- 2.4. **That approval is given to make adjustments to prices at any point in the year if it becomes apparent that income from golf charges declines further than would be expected, taking into account the overall decline in the current golf market.**

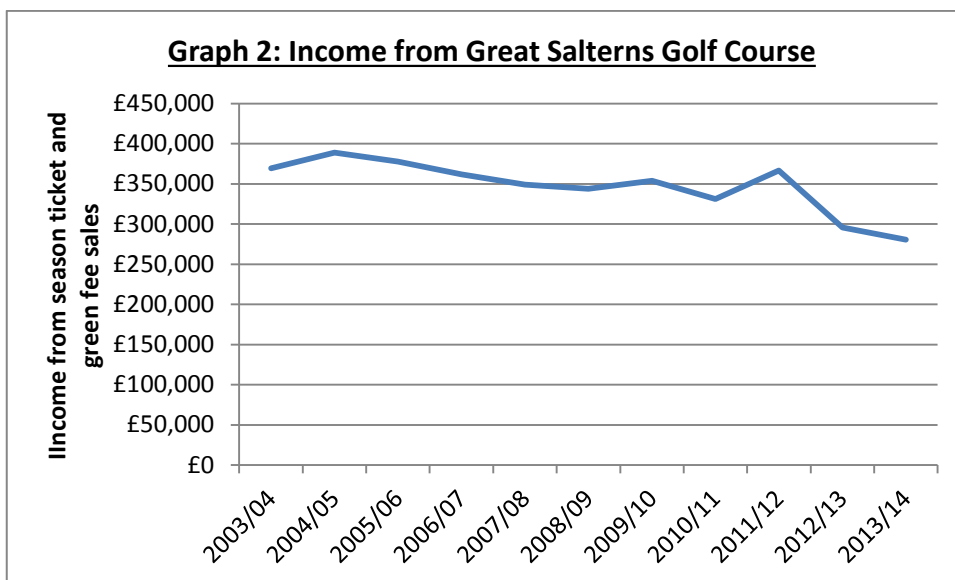
### 3. Background

#### 3.1. The decline of the golf market

3.1.1. Over the past 10 years the national golf market has contracted by around 16% in terms of participation (adults playing at least once per year) (graph 1).



3.1.2. This trend is reflected in the income generated from golf at Great Salterns over the same time period (graph 2).



#### 3.2. Review of charges in 2013/14

3.2.1. In 2013, in response to declining participation and income from golf, officers undertook a review of the charges at Great Salterns Golf Course. Advice was received from the course professional Terry Healy and his suggestions were endorsed by an independent review of the city's golf courses by John Ashworth Associates.

3.2.2. The recommendations from this review were approved by the Cabinet Member for Culture, Leisure and Sport on 7 February 2014. As a result the green fees for casual golfers were reduced significantly. The aim of the reduced prices was to encourage greater participation which, if significant, would in turn bring increased income.

3.2.3. Green fees:

Adult weekday tickets were reduced from £19.50 to £16 (18% reduction)

Adult weekend tickets were reduced from £23 to £20 (13% reduction)

OAP (over 65) weekday tickets were reduced from £16.50 to £13 (21% reduction)

OAP (over 65) weekend tickets were reduced from £20.50 to £16 (22% reduction)

Off peak tickets were left unchanged for the fourth year running at £11.

3.2.4. Season tickets:

Maxi season tickets were increased by around 2%.

Flexi season tickets were left unchanged.

3.2.5. Start fees for flexi season ticket holders were left unchanged.

### 3.3. **Further changes for the 2014 season**

3.3.1. As a result of ongoing analysis of the golf market by the course professional, three other changes were introduced for the season beginning in April 2014. These were published via the Members' Information Service on 17 April 2014.

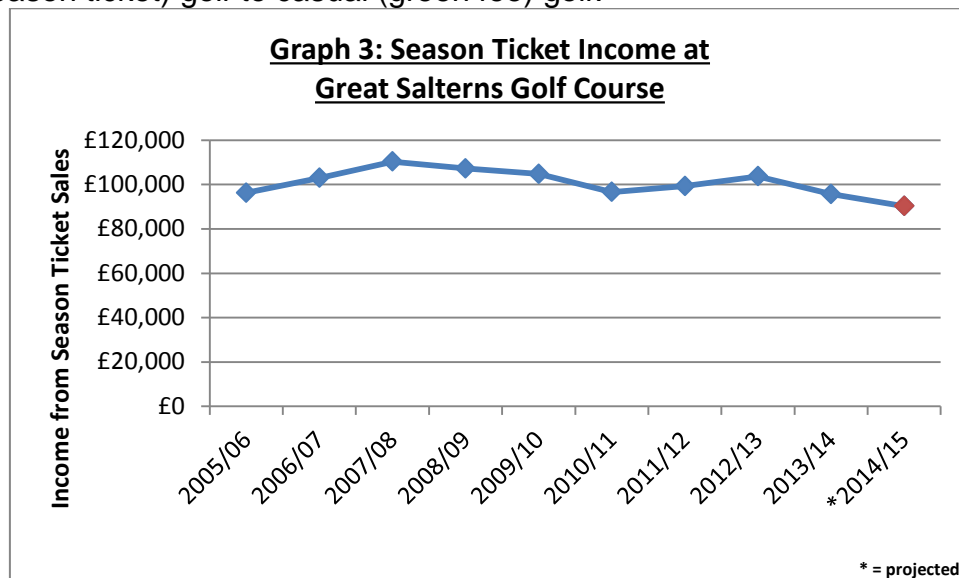
- Staggered season ticket charges: season ticket charges are now reduced at quarterly intervals through the year to encourage golfers to commit to the course by buying a ticket at a fairly reduced price.
- Extra benefit of the 5-day off peak flexi season ticket: allowing these ticket holders to play after 2pm on weekend afternoons increases the options for flexi ticket holders, and generates additional income through their start fees.
- Under-18s play free on Bank Holidays with a fee-paying adult. This encourages younger people to try the game with a parent or relative.

## 4. **Performance figures for the 2014/15 season so far**

### 4.1. **Season ticket sales**

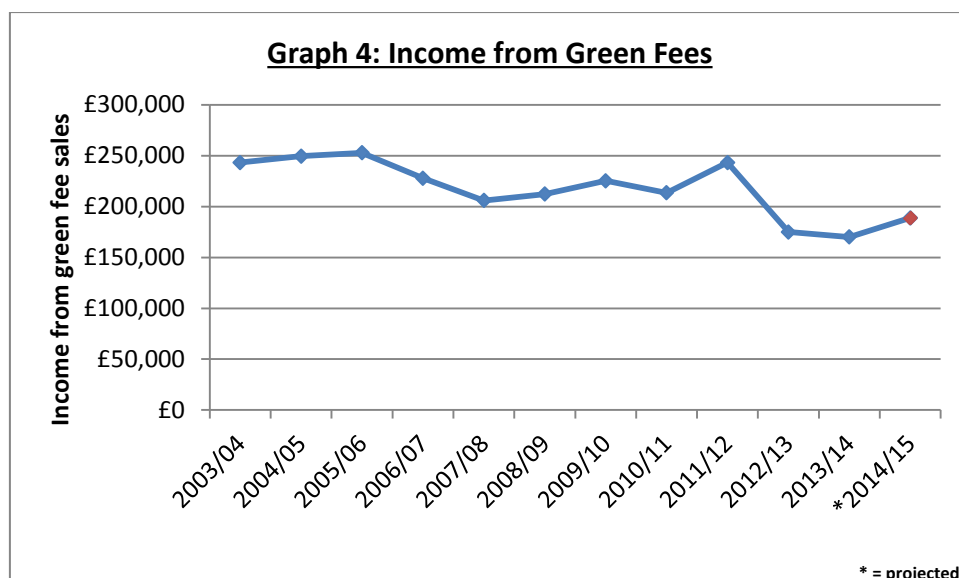
4.1.1. The introduction of pro-rata part-year flexi season tickets resulted in additional sales of these tickets in July and again in October. This did not happen in previous years when there was no reduction for part-year tickets.

- 4.1.2. 13 flexi season tickets were sold in July and 15 in October. These sales brought players to the course who otherwise might have played elsewhere and tied them into playing at Great Salterns for the remainder of the year.
- 4.1.3. Despite this, overall season ticket sales declined again this year in line with national trends of decreased participation in golf and the move from regular (season ticket) golf to casual (green fee) golf.



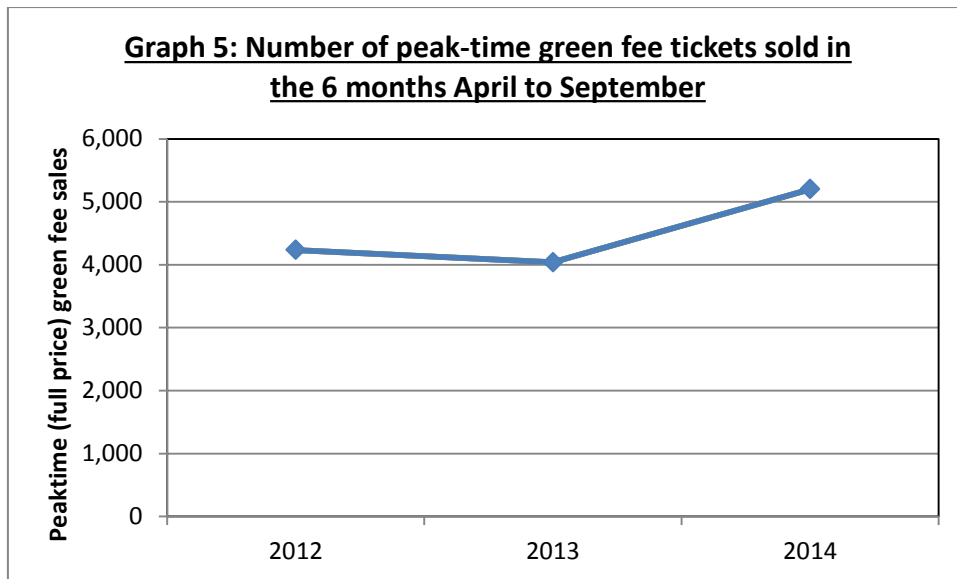
#### 4.2. Green fee sales

- 4.2.1. Overall green fee income is projected to at least equal last year's income and with the expectation that last autumn/winter's extremely poor weather will not be repeated, income will likely exceed last year (graph 4).



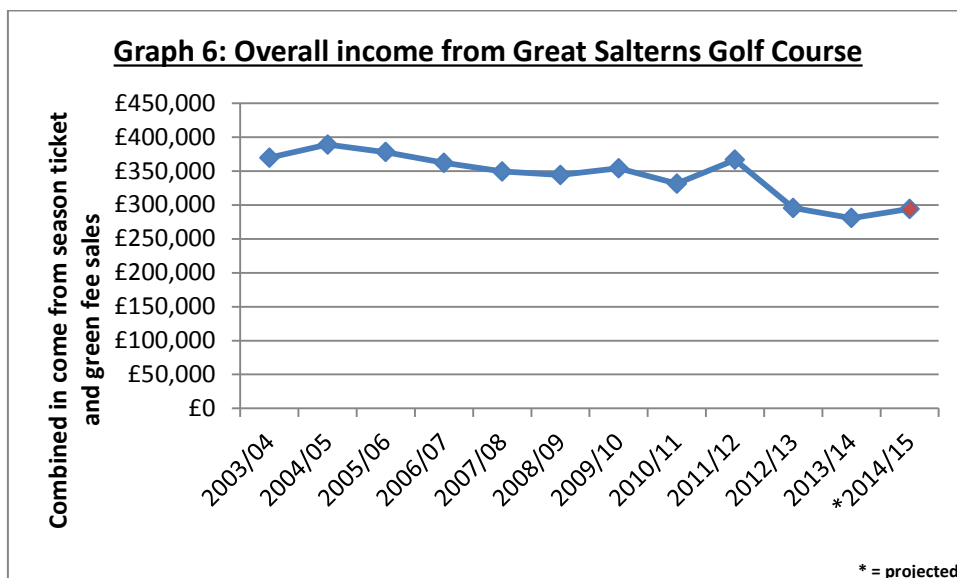
- 4.2.2. Peak-time green fee tickets were reduced in price this year by between 13% and 22%. This has yielded a 29% increase in numbers of tickets sold (graph 5), and

resulted in an 11% increase in income from this ticket type in the 6 months April to September.



#### 4.3. Combined income from season ticket and green fee sales

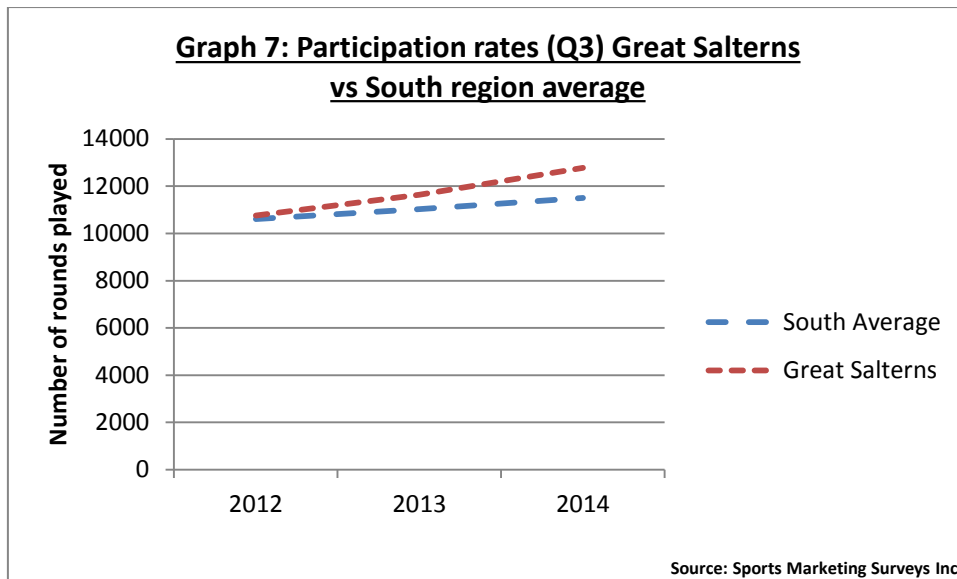
4.3.1. Income from Great Salterns Golf Course comes roughly  $\frac{2}{3}$  from green fees and  $\frac{1}{3}$  from season ticket sales (with a small percentage of income from start fees and society bookings). The 6% decline in income from season ticket sales is more than compensated for by the 11% increase in green fee income. Consequently overall income is projected to rise this year by 5% (graph 6) from £280,000 to £294,000.



#### 4.4. Participation

4.4.1. In terms of the number of rounds played Great Salterns Golf Course is performing well against its competitors with a widening gap between the numbers of rounds

played at Great Salterns against the South region average (graph 7). Data is from Sports Marketing Surveys (SMS) 3<sup>rd</sup>-quarter participation survey.



4.4.2. SMS reports a rise in rounds played across the UK of 5% compared to the same period last year. At Great Salterns the rise in rounds played over the same period is 10%.

**4.5. Summary**

4.5.1. The evidence of the performance at Great Salterns Golf Course for the six months April to September demonstrates that the changes to prices implemented this year have been a success. The aims of increasing participation and increasing income appear likely to be met this financial year.

4.5.2. While it is the case that participation nationally has risen compared to last year, the rise at Great Salterns has been twice the regional level, and so the conclusion must be that reducing the cost of casual golf has brought more players to the course. This in turn has increased income.

**5. Charges in 2015/16**

5.1. The principle of applying inflationary increases across golf charges every year appears to have led in recent years to a situation where charges are higher than the market will bear. This is because the golf market has been contracting rather than growing in line with inflation, and competition from other golf courses has the effect of keeping charges down.

5.2. Those green fees that were reduced last year (i.e. the peak-time tickets) saw a 29% increase in sales, with a resulting 11% increase in income. This suggests that charges are more like the 'correct' rate that the market will bear, taking into account the offer at Great Salterns Golf Course.

5.3. It is recommended that, rather than applying inflationary increases, charges are reviewed and adjusted in line with prevailing market rates at other courses and taking into account the impact of the pricing policy this year.

5.4. **Green fees**

5.4.1. There appears to have been a move from casual golfers playing at off-peak times to peak-times (with the resultant increased income). This is likely to be due to a combination of the reduced cost of a peak-time ticket and the reduced *differential* between peak and off-peak tickets.

5.4.2. Given the increased income that results from golfers 'trading up' to peak-time golf, it is recommended that this development is built upon by increasing the cost of the non-junior off-peak tickets by £1 thereby reducing still further the price differential. The off peak ticket price was last increased 4 years ago.

<b>Off peak green fees</b>	<b>2014/15</b>	<b>2015/16</b>
Off-peak adult	£11	£12
Off-peak senior citizen	£8	£9
Off-peak junior	£6	£6

5.4.3. It is also recommended that the time when off-peak tickets apply be pushed back two hours from 2pm to 4pm April to September; and from 12 noon to 2pm October to March. This will further encourage the sale of peak-time tickets while offering off-peak tickets at a time that reflects their original purpose - i.e. a 'twilight' round of golf for a low price when the course is quiet and which reflects the possibility that the full 18 holes may not be completed before dark. This move brings Great Salterns in line with most local courses which generally start to sell their twilight tickets between 4pm and 6pm.

5.4.4. The gains made this year in terms of participation and income from the cheaper peak-time green fee tickets may be jeopardised by increasing these next year so it is recommended that the rates remain the same for 2015/16 at £20 weekends and £16 weekdays.

<b>Standard (peak-time) green fees</b>	<b>2014/15</b>	<b>2015/16</b>
Adult weekday	£16	£16
Adult weekend	£20	£20
Senior citizen weekday	£13	£13
Senior citizen weekend	£16	£16
Junior weekday	£10	£10
Junior weekend	£12	£12

5.5. **Season tickets**

5.5.1. Maxi season tickets were increased this year, and currently lie at just below significant price thresholds (£599, £499, £399). It is recommended that these charges remain unchanged for 2015/16.

<b>Maxi season tickets</b>	<b>2014/15</b>	<b>2015/16</b>
Adult 7 day	£599	£599
Adult 5 day	£499	£499
Senior citizen 5 day	£399	£399
Intermediate (18-23 years)	£350	£350
Junior maxi	£135	£135

- 5.5.2. Flexi season tickets were not increased this year and so it is recommended that this family of tickets is increased in 2015/16.

<b>Flexi season tickets</b>	<b>2014/15</b>	<b>2015/16</b>
Adult 7 day	£300	£329
Adult 5 day	£240	£259
Senior citizen 5 day	£185	£199
Junior off-peak	£35	£39

## 5.6. Start Fees

- 5.6.1. Start fees are paid per round by flexi-season ticket holders. With the recommendation that the price of the flexi ticket be increased, it is recommended that start fees are left unchanged for 2015/16.

<b>Start fees</b>	<b>2014/15</b>	<b>2015/16</b>
Weekday	£4.50	£4.50
Weekend	£5.00	£5.00
Off-peak	£3.50	£3.50
Junior weekday	£2.00	£2.00
Junior weekend	£2.50	£2.50

## 6. Reasons for Recommendations

- 6.1. To ensure that fees and charges are set at the appropriate level in order to continue the trend of increased participation and rising income levels.

## 7. Equality impact assessment (EIA)

- 7.1. An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

## 8. Head of Legal Services comments

- 8.1. The Council is free to charge a market rate for providing this facility and is under no obligation to subsidise it. However there is no reason why the Council should not seek to obtain the best return whilst encouraging use of the facility to fulfil other policy aims including participation in sport and improving health.



## **9. Head of Finance comments**

- 9.1. As presented in 3.1.1.Graph 1, the national participation rates for golf show an overall decline in the last 10 years. Against this backdrop a revised pricing strategy was adopted in February 2014.
- 9.2. As presented in 3.1.2 Graph 2, income for Great Salterns Golf course has reflected the national picture in the decline in participation. However, there are indications that the revised pricing strategy adopted in February 2014 is making a positive impact in arresting the decline (4.4.1 Graph 7). Green fees are forecast to increase by 11% on the previous year (4.2.1. Graph 4), and this projected increase mitigates the continuing reduction in season ticket revenue.
- 9.3. The pricing changes proposed are that Green Fees pricing is not amended for the forthcoming year so as to remain competitive with other local courses and remain attractive to casual players. Further, it is proposed that Maxi Season ticket prices are held static so as not to cross significant price thresholds. These recommendations remain aligned to the pricing strategy adopted in February 2014.
- 9.4. It is proposed that Flexi season tickets are increased in 2015/16 by between 7.5% and 9.9% (the first increase in two years). However, there is no increase proposed to the associated start fees for this type of season ticket.
- 9.5. It is proposed that off peak times for green fees is pushed back two hours and that the cost is increased by £1.00 for Adult and Senior Citizen (9.1% and 12.5% increases). Pushing back of off peak times is consistent with other local golf courses and the impact of this together with the increased cost will be monitored to assess if casual golf participation varies significantly from current levels.
- 9.6. Correct pricing in a declining market is challenging. Officers will continue to monitor the impact of pricing changes on demand and pricing offered by competing local courses and make appropriate adjustments to maintain income.

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Signed by:  
Simon Moon  
Head of Transport and Environment Service

### **Appendices:**

Appendix A: Schedule of fees and charges at Great Salterns Golf Course effective 1 April 2015

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved / approved as amended / deferred / rejected by Cabinet Member for Culture, Leisure & Sport on the 12<sup>th</sup> December 2014

.....  
Signed by:  
Councillor Lynda Symes  
Cabinet Member for Culture, Leisure and Sport

**PORTSMOUTH CITY COUNCIL  
GREAT SALTERNS GOLF COURSE CHARGES**

**1ST APRIL 2015 - 31ST MARCH 2016**

CHARGES FOR 2015/16

(To be operative from 1 April 2015 unless otherwise stated)

<b>SEASON TICKETS</b>	<b>1st April 2014 - 31st March 2015 (Inclusive of VAT @ 20%)</b>			<b>1st April 2015 - 31st March 2016 (Inclusive of VAT @ 20%)</b>		
	<b>Start Fees</b>					
	<b>Ticket Cost</b>	<b>Weekday</b>	<b>Weekend</b>	<b>Ticket Cost</b>	<b>Weekday</b>	<b>Weekend</b>
<b>MAXI TICKETS</b>						
<b>Offers unlimited play</b>						
Adult 7 Day	£599.00	N/A	N/A	£599.00	N/A	N/A
Adult 5 Day	£499.00	N/A	N/A	£499.00	N/A	N/A
Senior Citizen 5 Day	£399.00	N/A	N/A	£399.00	N/A	N/A
Intermediate (18 -23 years)	£350.00	N/A	N/A	£350.00	N/A	N/A
Junior Maxi	£135.00	N/A	N/A	£135.00	N/A	N/A
<b>FLEXI TICKETS</b>						
<b>Offers a reduced annual fee plus a Start Fee per round</b>						
Adult 7 Day	£300.00	£4.50	£5.00	£329.00	£4.50	£5.00
Adult 5 Day	£240.00	£4.50	N/A	£259.00	£4.50	N/A
Senior Citizen 5 Day	£185.00	£4.50	N/A	£199.00	£4.50	N/A
Off Peak Start Fee (Available with Flexi Ticket, times as advertised)		£3.50	£3.50		£3.50	£3.50
Junior Off Peak	£35.50	£2.00	£2.50	£39.00	£2.00	£2.50

5 Day Tickets allow play Monday - Friday excluding Bank Holidays

Direct Debit scheme is available to those who wish to spread payments, at 3% handling charge. (Not Junior Off Peak)

Junior Off Peak Monday-Friday after 10.00am & After 3.00pm Saturday, Sunday & Bank Holidays.

All Season Ticket prices include an amount for Golfers' Insurance, Adult £9.00, Juniors £7.00.

<b>GREEN FEES</b>	<b>Weekday</b>	<b>Weekend</b>	<b>Weekday</b>	<b>Weekend</b>
	<b>Standard</b>			
Adult	£16.00	£20.00	£16.00	£20.00
Senior Citizen	£13.00	£16.00	£13.00	£16.00
Junior	£10.00	£12.00	£10.00	£12.00
<b>Off Peak</b>				
Adult	£11.00	£11.00	£12.00	£12.00
Senior Citizen	£8.00	£8.00	£9.00	£9.00
Junior	£6.00	£6.00	£6.00	£6.00
<b>Reduced Course Ticket</b>				
Adult	£13.00	£15.00	£13.00	£15.00
Senior Citizen	£10.00	£12.00	£10.00	£12.00
Junior	£7.00	£8.00	£7.00	£8.00

**Leisure Card Holders 40% Discount on Green Fees**

Off Peak Ticket: Available as advertised (Times vary through the year)

Reduced Course Ticket Applicable when only 12 - 17 holes available for play. If less than 12 holes Off Peak Ticket applies

All Green Fees include an amount for Golfers' Insurance of 28p (Reduced Course Tickets 20p).

**Penalty Charge: For use of Golf Course without current ticket £20.00 in addition to Green Fee or Start Fee charge.**

**Junior Rates Apply to under 18 years of age**

**Intermediate Rates Apply to 18 to 23 years of age**

**Senior Citizen Rates Apply if aged 65 or over on 1st April 2015 for both men & women**

**Bank Holidays Weekend rates and conditions apply**

**CANCELLATIONS WITH LESS THAN 6 HOURS NOTICE MAY BE SUBJECT TO A CANCELLATION FEE**