

POLICY AND RESOURCES COMMITTEE – 8 MARCH 2022

GOLF MEMBER/OFFICER GROUP – PROGRESS UPDATE AND RECOMMENDATIONS FOR CHANGE FROM MONTROSE GOLF LINKS

REPORT BY ALISON SMITH, DIRECTOR VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH

ABSTRACT

This report provides an update on the progress of the Angus Golf Member/Officer Group (MOG), agrees that the MOG has delivered on its remit and seeks approval to dissolve the MOG.

It also seeks approval of a revised request for change from Montrose Golf Links Ltd (MGLL) to its Memorandum and Articles of Association to support an alternative new structure.

1. RECOMMENDATION(S)

It is recommended that the Committee:

- (i) Note that a cross council Officer Group, led by the Director of Vibrant Communities and Sustainable Growth, has been set up to deliver on the priority activities and timescales set within the Action Plan which was approved by the MOG.
- (ii) Approves the recommendation to dissolve the Golf Member/Officer Group which agreed at a meeting on 7 February 2022, that the group had satisfactorily delivered against its revised remit and as delivery could continue at an operational level, the Member/Officer Group should be dissolved.
- (iii) Approve the revised changes to the Memorandum and Articles of Association as requested by Montrose Golf Links Ltd and delegate authority to the Director of Legal and Democratic Services or their nominee to agree the finalisation of these proposed changes to the Memorandum and Articles of Association in alignment with the Management Agreement. This will support Montrose Golf Links Ltd continued progress towards a more dynamic structure, assist their response for recovery post COVID-19 and build for a more sustainable future.
- (iii) Agree the ongoing representation of two Angus Council representatives on the Montrose Golf Links Board, one of whom should be a local Councillor.

2. ALIGNMENT TO THE ANGUS COUNCIL PLAN

This report contributes to the following outcome contained within the Angus Council Plan

We want our communities to be strong, resilient, and led by citizens

3. BACKGROUND

- 3.1 Reference is made to Item 16(b) of the minute of meeting of the Policy and Resources Committee of 26 November 2019 (Report No 404/19) which approved the establishment of a Member/Officer Group to undertake a review of all the courses in which Angus Council has an interest. The Angus Council Committee on 12 August 2020 (Report No 192/20) agreed to extend both the timescales and the remit of the MOG to take in to account the impact of COVID, and the impact this has had on Angus Council resources and the 5 golf courses involved in the review.

4. MOG CURRENT POSITION AND PROPOSAL

4.1 The Golf Member/Officer Group (MOG), Chaired by Councillor Boyd, was established in 2019 to ensure the sustainability of the 5 golf courses in which Angus Council has an interest. The remit agreed at the first meeting on 6 February 2020 would be: “To review the current governance and management models of the courses and determine any proposals for change that could strengthen the sustainability of these assets and enhance the cultural, social and economic value that they provide to Angus and its communities; and that any proposals would be consulted upon with the courses concerned”. The scope of the review involves:

- a) Arbroath Golf Links
- b) Monifieth Golf Links
- c) Montrose Golf Links Ltd
- d) Brechin Golf Club
- e) Carnoustie Links Management

4.2 At the meeting of the MOG on 14 September 2020 it was agreed to accept an offer of Expert Advice from Business Gateway and a sub-group of Members and Officers was set up to work with the consultants to fully scope out the problem and to develop the strategy and action plan.

The report and recommendations were presented and agreed at a meeting of the MOG in June 2021. Thereafter a cross council Officer Group was set up in July 2021 to develop an Action Plan for delivery of the recommendations. The Action Plan is included as Appendix 1.

At its meeting of 7 February 2022, the MOG considered the Action Plan and agreed this delivered robustly on the recommendations contained within the consultant’s report, and at the same time closely aligned to the Council Plan and priorities, thereby delivering against the expanded remit of the MOG.

The MOG therefore recommend that the Action Plan can be delivered by officers and recommend that the MOG be dissolved and that any future decisions required be brought to committee in due course as required.

5. MGLL PROPOSALS

5.1 At the time of the first MOG meeting Angus Council was aware that Montrose Golf Links Ltd (MGLL) was actively looking to change their governance structure and would be making official requests to Angus Council to do so.

These changes aimed to improve on existing governance arrangements and formed part of their continuing progress towards a more dynamic and responsive streamlined business model which could support sustainability and growth post COVID-19. This approach was considered appropriate in light of the findings of the MOG.

At its meeting of 12 August 2020 (Report No 192/20) Policy and Resources Committee agreed to approve the proposed interim changes to the Memorandum and Articles of Association as requested by Montrose Golf Links Ltd subject to Angus Council Legal and Democratic Services being satisfied that proposed changes to the Memorandum and Articles of Association covers only what had been proposed

The Committee also supported the proposal from Montrose Golf Links Ltd, allowing them to make interim changes to the board structure until such time as the MOG would have time to complete their review and until 2024 when the lease agreement would be due for renewal.

However, Covid-19, coupled with pre-existing financial and operational pressures presented further challenges and forced further change for MGLL. It was felt the changes previously requested and approved did not provide MGLL the stability or flexibility required to become adequately resilient, and the initial update was put on hold pending further review and

consideration. A further request was submitted to Angus Council following the most recent MGLL board meeting on 18 January 2022.

- 5.2 Currently MGLL have 8 Directors listed on Companies House, including 2 Angus Council elected members and two officers.

Their proposal is to retain 8 Directors but change the composition to comprise: -

Two Angus Council representatives, which may include Officers and/or Elected Members (and including at least one local Councillor), two members of Royal Montrose Mercantile Golf Club and two members of Montrose Caledonia Golf Club. This will result in a reduction of Council representation on the board, which retains Council involvement but allows the Council greater flexibility to undertake board membership.

The Club members are no longer required to be Season Ticket Holders of MGLL but must be Club members.

It should be noted that one of the two current Angus Council officer representatives resigned in May 2020 from the Board. Should this interim position be agreed, a second Angus Council representative will resign leaving two representatives on the Board, including one local Councillor.

The directors above will be allowed to co-opt two further directors for a fixed period until 2024, when the lease agreement with Angus Council terminates. The co-opted directors will have appropriate business experience or specific skills.

The voting on the board will be one director one vote and the board will appoint a chair. Thus, the board will comprise 8 directors until 2024.

This governance structure is considered to be an interim arrangement to move from the current arrangement that is not working to a workable method for more dynamic operation. These decisions will be in line with the adopted Business Plan and will be reported to and scrutinised by the new Board.

The Company's Memorandum and Articles of Association will have to be changed to reflect the change in Board structure. MGLL have sought their own independent legal advice on this, but agreement will be subject to Angus Council Legal and Democratic service being satisfied that proposed changes to the Memorandum and Articles of Association covers only what has been proposed and is in alignment with the Management Agreement.

- 5.3 The Member/Officer Group have considered and recommend approval of this proposal.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications arising from this report. The MOG action plan requirements can be met from existing staffing and budgets

7. CONSULTATION

- 7.1 The Corporate Leadership Team have been consulted in the preparation of this report.

- 7.2 There are no EIA implications arising from this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

REPORT AUTHOR: Jane Taylor, Economic Development Officer (Sectors)

EMAIL DETAILS: TaylorJ2@angus.gov.uk