

ANGUS COUNCIL – 22 JUNE 2023

CARNOUSTIE GOLF PROVISION – FUTURE ARRANGEMENTS – UPDATE

REPORT BY THE DIRECTOR OF LEGAL & DEMOCRATIC SERVICES AND THE DIRECTOR OF FINANCE

ABSTRACT

This report provides elected members with an update on matters following the Special Meeting of the Council on 23 December 2022. The Council is being asked to consider this report and the accompanying confidential (exempt) Report No 195/23 (“the Exempt Report”) which provides restricted content.

1. RECOMMENDATIONS

1.1 It is recommended that the Council notes the update on progress following on from the Special Meeting of the Council on 23 December 2022.

2. ALIGNMENT TO THE COUNCIL PLAN

2.1 This report contributes as a whole to the Council Plan.

3. BACKGROUND

3.1 The background regarding Carnoustie Golf Provision Future Arrangements, together with Council meetings and reports relating to the same is set out in Appendix 1.

4. PROGRESS FOLLOWING 23 DECEMBER 2022 SPECIAL MEETING OF COUNCIL

4.1 The Director of Finance issued a letter to CGLMC on 23 December 2022, informing CGLMC of the Council’s decision - made the same day at the Special Meeting of the Council – not to progress, at that moment in time, to a public consultation on CGLMC’s proposal as put to the Council at that meeting. The letter also set out the reasons for the Council’s decision and mentioned that a meeting would be arranged for January 2023 between the parties.

4.2 Correspondence was exchanged between the Director of Finance and CGLMC over the course of January 2023. A meeting was held between CGLMC and Council Officers (and both parties’ respective external advisors) late January 2023.

4.3 Discussions took place between the Council’s, CGLMC’s, and the CGLMC’s Investor’s respective external advisors in February 2023 with some further information being provided by CGLMC later that month. The information was reviewed by the Council’s external advisors and clarification was sought on the information provided.

4.4 At the beginning of April 2023, the Council received detailed correspondence from CGLMC’s Investor providing further information and an updated proposal, including amongst other things, a revised structure and sequence of milestones for the project.

4.5 Throughout April and May 2023, the Council and its external advisors continued to liaise and proactively engage with CGLMC, their Investor and their respective advisors to work through and assess the detail of the updated information and proposals. In general terms, the updated proposals received from CGLMC/their Investor this year represent a positive and significant step, however, assessment of the detail in respect of this is ongoing.

4.6 Assessment of the information provided by CGLMC/their Investor to date has been undertaken by the Council's external advisors and further detailed commentary in this regard is provided in the Exempt Report.

5. NEXT STEPS

5.1 Officers, in conjunction with the Council's external advisors will continue to engage with CGLMC, their Investor and their respective advisors.

5.2 It has and will continue to be made clear by Officers/the Council's external advisors to CGLMC/their Investor and their respective advisors that prior to proceeding to any public consultation and thereafter agreeing legal documentation relating to proposals for the future of golf provision at Carnoustie Golf Links, there needs to be some level of certainty that there is a clear benefit to the proposal for Angus Council and its citizens. In general terms, this means:

1. Evidence that major championships (such as The Open, The AIG Women's Open and the Alfred Dunhill Links Championship) will be secured on a regular basis;
2. A guarantee on local golfers' access rights at a level of cost and availability which is acceptable.
3. The financial return on the investment needs to be robust and credible to ensure a sustainable solution for all parties; and
4. There needs to be some level of financial return for the Council in relation to any change in the current agreement in respect of Carnoustie golf course; and

5.3 For the avoidance of doubt, and as noted previously, elected members will be asked to approve any such consultation before it begins and will require to have the results of that consultation available to inform their final decision on matters.

6. UPDATE ON PLANNING PROPOSALS

6.1 Since the previous reports, CGLMC and their advisors have continued discussions with officers on their wider masterplan aspirations and potential planning applications they wish to bring forward. Council officers have provided advice on the proposed approach, technical and procedural requirements and key issues to be considered as part of the planning process. Internal consideration has also been given to how best Angus Council can input to the masterplan and the resource implications, liaising with Scottish Futures Trust on potential support.

6.2 Planning officers have been clear from the outset that the funding and delivery of any masterplan needs to be a fundamental element in its development and through engagement explore the wider benefits to the town as a whole. This will be integral to future discussions.

6.3 As noted in Report No. 428/22 a draft approach to the masterplan and planning applications has been set out by CGLMC and planning officers have indicated general agreement to this. Since the Special Meeting of Council on 23 December 2022, CGLMC and their advisors have continued discussions with planning officers on their wider masterplan aspirations and the requirements for the planning applications they wish to bring forward. Officers have facilitated discussions with key stakeholders and work is underway on technical assessments to inform development of the design and will form part of the support information for the planning application.

6.4 In development of the masterplan element officers and CGLMC have both met with representatives from Scottish Futures Trust who have confirmed commitment of resource to support the integration of this within the broader development of a place framework for Carnoustie. It is understood that representatives from CGLMC are planning to hold a consultation event towards the end of June 2023. Officers are currently in discussion on the proposed content and format for this session to ensure there is no conflict with the future work planned.

7. RISKS

The main risks remain as outlined in the June Report No. 183/22 and are as follows: -

- Timescales/Urgency – there is a need to move forward on this as quickly as possible for a variety of practical and commercial reasons. The longer it takes to reach a conclusion the more risk there is of key objectives for all parties becoming undeliverable.
- Scale and Duration – the proposals which are to be developed further will all result in decisions being made which are large in scale and long term in nature and it is vital in this context that the Council chooses a best value solution to deliver its strategic objectives.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications arising for the Council as a result of the recommendations in this report. However, there are potentially significant direct and indirect financial implications arising from decisions made by the Council on the future provision of golf at Carnoustie Links. The Council has incurred costs in the form of specialist advisor input to continue the work with CGLMC to date and a substantial amount of officer time has also been spent on the project in the last 18 months.

9. LEGAL IMPLICATIONS

- 9.1 Legal implications are detailed in the Exempt Report.

10. EQUALITY IMPACT ASSESMENT

- 10.1 An equality impact assessment is not required as there is no differential impact on persons with protected characteristics in terms of the recommendations in this report.

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Appendices

Appendix 1 – Background

BACKGROUND

- 1.1 At a special meeting of Angus Council on 20 January 2022 the Council considered and approved the recommendations in [Report 8/2022](#) and Report 9/2022 (exempt) regarding Carnoustie Golf Provision – Future Arrangements. Amongst other things Council:-
- confirmed its strategic intent regarding the future of the golf courses at Carnoustie as set out in Section 6 of Report 8/2022, and agreed that working with partners to secure the return of The Open Golf Championship to Carnoustie on a regular basis was something to be pursued as a high priority objective over the next few months;
 - agreed that 4 recommended options in Report 8/2022 be taken forward and developed to inform and enable Council to make a decision on a final option for implementation. Those options were:-
 - Option 2 - New Governance Arrangements with External Investment – CGLMC Ltd, (“CGLMC”) Proposals
 - Option 3 - New Delivery Model Led and Funded by Angus Council
 - Option 4 - CGLMC Proposals but on Different Terms
 - Option 5 - Seek a Shorter-Term Solution
 - agreed that a public consultation be planned for as part of the process of informing the Council’s final decision on which Option to implement with the detail and timing of that consultation and the proposed consultation content to be subject to a further report to Council prior to being launched.
- 1.2 Report 8/2022 also highlighted that Options 2 and 4 would constitute a disposal of open space by the Council and as such would be subject to the requirements of section 27 of the Town and Country Planning (Scotland) Act 1959. This requires the Council to publish a notice on the proposals and consider any objections raised. The report also noted that some of the options would, if implemented, be a significant change to how a major public asset would be run and managed in the future and that if the final proposals included other land not currently leased to CGLMC; both issues would be matters of public interest and for those further reasons, a public consultation should be carried out.
- 1.3 An update was provided at full Council on 30 June 2022 (Report 183/22 refers) which advised Members of progress with the detailed investigation of options; sought authority to increase the funding for specialist advisors to support this work following a tendering process; and highlighted important information concerning a potential planning application which CGLMC were considering submitting to the Council which would involve separate and distinct pre-application public consultation/engagement in line with planning legislation.
- 1.4 A report was considered by Council on 3 November 2022 (Report 365/22) updating Members on progress with the investigation of options which the Council agreed be undertaken at the Special Council meeting of 20 January 2022. Members were advised that the Council’s specialist advisors had intimated to CGLMC what they might want to include within their Option 4 proposal to explain the plans and timescales for the redevelopment and operation of Carnoustie Links. Following this, it was anticipated that the Council’s specialist advisors would provide an assessment of the Option 4 proposal and, if considered sufficiently comprehensive (either in its original form or with supplements/amendments made by CGLMC after further discussion) the Option 4 proposal would be put to Council with a view to being publicly consulted upon. Due to the lack of viability of Option 2 as detailed in Report 365/22, it was not proposed that the Council would consult on this Option. Members were advised that Option 3 and Option 5 in the Report required further time to be fully worked up therefore it was proposed that a final decision would be taken on which Options to consult on by the Council when the specialist advisors assessed they were ready to be considered.
- 1.5 A public report (Report 428/22) and an exempt report (Report 427/22) were considered on 23 December 2022 at a Special Meeting of the Council, updating Members on progress on the investigation of options and on the terms of an updated proposal received from CGLMC. It was noted that CGLMC and their Investor had said that they required several matters be concluded by 31 March 2023. It was further noted that this time constraint was not set by Angus Council and had arisen from commercial decisions made by CGLMC, necessitating Report 428/22 and Exempt

Report 427/22 to be brought forward at very short notice to a special meeting of the Council so that Members could determine whether the CGLMC proposal:

- was, in principle, acceptable as a potential future option for Carnoustie Links;
- was sufficiently developed, clear in terms of outcomes and capable of delivering the Council's previously agreed priorities for Carnoustie Links; and
- should be included in the previously agreed public consultation on future options for Carnoustie Links

1.6 Report 428/22 set out the terms of an updated proposal received from CGLMC in relation to Option 4 with further detail and analysis being set out in Exempt Report 427/22. Members were advised that in terms of the options:

- Option 2 - was accepted by CGLMC as not being viable in the circumstances at the time and in the short term
- Option 3 - the conclusion reached by officers and advisors was that this Option should be regarded as a fallback option for the Council
- Option 4 - was the only remaining option involving CGLMC which existed at that time
- Option 5 - had been further assessed and was considered to be too high risk to deliver the Council's previously agreed strategic intent for the future of Carnoustie Links

1.7 Report 428/22 noted that undertaking a public consultation would take a minimum of 4-5 months to complete from start to finish allowing for the preparation of the consultation information, agreement of the consultation content by elected members, the consultation period with the public, evaluation of the consultation results and reporting of those results and reaching a decision by elected members. Report 428/22 also noted that development and negotiation of a number of legal agreements would also require to take place assuming elected members agreed to implement proposals.

1.8 In consideration of the information available at that point in time, Report 428/22 concluded that:

- while some aspects of the proposal were potentially acceptable, officers and advisors concluded that as a package the terms were not acceptable and would require further discussion and negotiation to determine whether an acceptable package could be achieved;
- while significant work had been done there was not sufficient clarity and certainty to be confident the Council's agreed priorities could be achieved; and
- it was the recommendation of Officers that CGLMC's proposal should not be subject to a public consultation at that time.