

**Public Drop-in Event 1 – 2-5pm, 13 August 2024, Carnoustie Golf Hotel**

**Summary of Main Questions and Issues Raised**

**Attendance:-**

Angus Council :- Ian Lorimer

CGLMC:- Colin Yule, Ralph Wardlaw, Michael Wells, Adair Simpson

CGHH:- Max Herberstein, Paul Lisiak

Over the course of the 3 hours the event ran for an estimated 30-40 people attended, most of whom are Season Ticket Holders.

**Questions and Issues Raised**

Golf and hotel – how will the business be run – will there be a single CEO overseeing both? Indicated this is likely but will be a matter for CGHH to confirm.

TUPE implementation – how will this work and challenges if staff numbers reducing. Clarified that no staff reductions planned so TUPE should be straightforward.

Golf Access – how is this to work? Summarised main points of the GARA. GARA details and intended ways of working covered multiple times throughout the event.

R&A Requirements – what are these and what guarantees are there that the proposed changes will see The Open return to Carnoustie. Outlined main challenges and competition Carnoustie faces and intention that Phase 2 will be based on legal agreements with the R&A about The Open returning. Phase 1 is the initial step to reach Phase 2.

Flood risk – what actions are planned to manage this/how will this affect hotel redevelopment. Outlined CGLMC plans for managing flood risks and that options are being looked at. Confirmed hotel redevelopment would need planning approval and flood risk considered through that process.

What will Council do to improve wider amenity in surrounding area and High Street and where does the Tay City Deal funding for culture and tourism fit into that? Clarified Tay City funding all committed for agreed projects. Confirmed that wider amenity is a challenge given limited Council funds – cant promise significant investment in that regard. Also clarified that £20m for Arbroath was UK Government funding not Council.

Why are CGLMC proposing to sell everything to CGHH? Why does it need to be sold at all? Clarified that CGHH needs staff and assets to make it work and that CGLMC as the charity will get the proceeds and use those to deliver their charitable objectives.

How will CGLMC use the sale proceeds – wont this money eventually run out? Confirmed CGLMC will invest (using professional fund managers) to make a return and use those returns to deliver its objectives including community benefits programme.

What happens if the Investors lose interest and sell up – who might take over? Reassurance that investors in it for long term – see it as generational investment for them and their families. Also noted that protections built into legal agreement which gives the Council some control/say over potential ownership changes and termination rights if not complied with.

## **Appendix G to Report 389/24**

What is meant in the consultation about fair pricing and for the long term – referred to the GARA and how pricing is meant to work and the objectives of Phase 1 being a stepping stone to a long term arrangement (Phase 2).

Concern about The Open not benefiting the wider town and the High Street having nothing to offer.

How will the proposals support other Council owned courses in Angus. Clarified that see Carnoustie as a hub and that working with/supporting other courses in Angus is part of the future plan.

Why were other options for change discounted by the Council – moved from 7 options to 5 to 1 – why? Clarified what the Councils 2 main objectives were in this and that the other options either couldn't achieve those or involved unacceptable levels of financial risk.

Concerns about tee times for STHs in late afternoon and early evening – slow play by visitors can prevent rounds being completed so are less “valuable” tee times to use. Visitors can take 5 hours to complete their round.

What assurances are there that Phase 2 will happen. Clarified that draft Sub-Contract includes milestones which require CGHH to make progress on this.

What land is covered by the proposals – are any changes to land intended. Confirmed no changes to existing land use are proposed in Phase 1. New agreements will cover the same curtilage as now. Possible some land changes could be proposed in Phase 2 but that would be subject to a further consultation process.

Ask to keep Community Council in the loop on planning / flooding issues and intentions. Agreed reps from Council and CGLMC should meet with Community Council to discuss further. Mike Wells to discuss with Community Council chair (David).

How will tee times for STHs be protected. Clarified the GARA mechanism for review and the protections built into that for STHs even if usage fell.

An attendee advised that the staff house that belongs to the hotel is overgrown and not looked after. He requested that this could be tidied up.

**Public Drop-in Event 2 – 4-7pm, 4 September 2024, Carnoustie Golf Hotel**

**Summary of Main Questions and Issues Raised**

**Attendance:-**

Angus Council :- Ian Lorimer

CGLMC:- Colin Yule, Michael Wells, Adair Simpson

CGHH:- Max Herberstein

Over the course of the 3 hours the event ran for an estimated 20-25 people attended, most of whom are Season Ticket Holders and a small number of whom also attended the first drop-in event.

**Questions and Issues Raised**

Comment made about “fair pricing” and suggestion this has resulted in fewer seniors playing the Championship Course since changes made to CGLMC price structure.

What happens if the investors sell up – what protections are there? – confirmed that draft legal agreements mean the investors cannot sell to anyone without risk of the agreements being terminated – must be fit and proper and not on a sanctions list.

What’s behind the proposals? – summary of the proposals and the reasons for them were outlined – focus on the Open and the need for investment to secure the Open again in future.

Is the investor a golfer – confirmed yes – both investors are golfers.

£100m investment figure quoted – how will that work / what will that involve – Mr Herberstein outlined his broad thinking but emphasised a lot of work still needed to develop his long term plans.

Comments made about the R&A seeking to maximise income from the Open and the importance of TV rights in this.

Concerns raised about flooding and impact this could have on the courses and who is responsible for dealing with that – clarified that depends which areas of land are concerned – both Council and CGHH will have obligations in this regard.

Will there still be an ongoing role for local golf clubs – suggested expecting this to be the case including to ensure important heritage is not lost.

Question on amalgamation of two elements of the business (hotel and golf courses) and what happens if one is profitable and one isn’t – investor doesn’t expect that scenario and working to ensure both are successful – intend to operate both together.

Governance structure of CGLMC / Need for Business Acumen – noted as important – CGLMC governance is however a matter for the Trustees.

Comment made about Season Ticket Holders position being more vulnerable to change from this.

Comment made about Season Ticket Holders being unable to finish rounds starting in late afternoon due to slow play by visitors.

Comment made about provision for juniors – has expanded significantly but area for play isn't big enough for that anymore.

Comments made about CGLMC being secretive in its operations.

Comments made about Golf Club finances being negatively impacted by changes already made by CGLMC.

When did Council do option appraisal? – noted that 5 options considered initially and all but one were ruled out for reasons stated in consultation. Remaining option is now different (2 phased approach) so in practice none of the original options are being progressed.

Why does Council not take seat on Board of CGHH? – noted this isn't an option at the moment but could be something to discuss if we reach Phase 2.

What exactly are the R&As requirements – confirmed there is no detailed specification as such but that discussions with the R&A since 2018 Open have made clear a need for improvement in hotel accommodation and player/visitor experience.

Comment made about importance of selling the benefits of the proposals to the rest of the town – can be a them and us feeling at times and that needs to be avoided.

Noted that golf tour operators and other intermediaries need to help get visitors to stay longer in Carnoustie rather than bus in and bus out.

Comment about the heritage angle of golf and Carnoustie role in world golf being under-developed.

Comments about history and degree of conflict between clubs and CGLMC due to hosting the Open and the implications this has.

Why should we trust the investors? – Mr Herberstein outlined his vision for Carnoustie and the intention that this be a long term investment for the investors.

Comment made about 2018 Open and visitors not being allowed to leave the venue and return – this didn't help the rest of the town.

What commercial return will the Council get from this – noted no change to existing arrangements planned in Phase 1 – the Council doesn't receive any payments under the current Management Agreement but Phase 2 will require this, possibly something similar to lease of hotel with ground rent and turnover element.

Comment about CGLMC financials and return to be made for them – confirmed seven figure sum expected.

What due diligence done on the investors – noted high level diligence done as part of the hotel ownership transfer process and that further diligence is to be carried out before final legal agreements are signed.

Comment about visitors not staying in Carnoustie – they bus in, play and then leave again bringing limited benefit to town businesses.

## **Appendix G to Report 389/24**

What assurance have the R&A given about the Open returning – noted that this isn't how it works – expected improvements are known and if those are delivered expect a positive outcome but it's ultimately up to the R&A who they ask to host the Open.

Comment about Carnoustie seeming to have to jump through more hoops than other venues to secure the Open.

Comment about the importance of Carnoustie golf heritage and need to preserve that and celebrate that.

Question on whether carbon tax credits had been taken into account – confirmed no – not relevant.

Question over who sets prices – confirmed that for visitors it will be CGHH and for STH it will be based on the GARA.

Will CGLMC have to pay for flood defences? – confirmed CGLMC funds will not be used for flood defence works – those will be the responsibility of the Council/CGHH.

Comment made about STH guest numbers having trebled in recent years.

What is the timetable for change including Phase 2 – outlined potential timelines for making planning application and getting planning permission which would enable Phase 2 to be implemented.