AYRSHIRE GOLF TRUST

GOLF DEVELOPMENT CENTRE

BUSINESS PLAN FINAL REPORT: UPDATE

JULY 2019

QUALITY, INTEGRITY, PROFESSIONALISM

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CONTENTS

The Trust has examined several sites, along with consultants Mackenzie and Eibert(M&E) for the Golf Development Centre. In examining the various locations, the main objectives did not vary, namely sustainability of the project and growing the participants in the game. In all locations we have worked closely with our partners, South Ayrshire Council(SAC), Scottish Golf(SG), Sportscotland(SS) and the Royal & Ancient(R&A).

The following sites were examined and rejected for a variety of reasons, before settling on the Seafield/Old Racecourse location:

Maybole Golf Course
Dalmilling Golf Course
Troon Sports Playing Fields
Rozelle Park
Seafield/Old Racecourse

MAYBOLE GOLF COURSE

Maybole GC was the first location considered by the Trust and SS. The club had provided successful coaching for junior and new members. In addition, in primary discussion, it was supported in principle by European Funding through LEADER, which would have greatly assisted the funding requirements.

Plans were provided by M&E with the intention to purchase the adjoining field from the local landowner. Holes would be constructed on the land to allow for the Development Centre to be constructed on part of the established golf course. Unfortunately, plans for Maybole by-pass surfaced suggesting the landowner would lose land for the roads project and they decided to withdraw from the negotiations.

Dalmilling Golf Course

Dalmilling was considered as a possible location for the Centre. This was close to a local area of significant deprivation, one of Trust's target sectors, and tied in with the Council's aim at the time, of reducing the golf course assets in the area.
The Course is an 18 hole Course and the construction of the Centre would have required reducing the Course to 9 holes. The sustainability of the Centre was questioned in this location plus the refusal of SG to sanction the reduction of established Course facilities quickly stymied this proposal.

TROON SPORTS PLAYING FIELDS

This site was next to be considered as a possible location, currently part of the education estate within the Council. Although spacious and suitable for the physical location of the Centre it failed on several conditions:

a. This is a busy location for the playing of several other sports including football, rugby and hockey.
b. Proximity to the Gailes Golfing Centre.
c. Planned to be part of the Marr College development.

This location was quickly dismissed.

ROZELLE PARK

This was considered as a possible location for several reasons including the park's history as the location of a small golf course, its proximity to the Bellisle golfing complex, boosting the park's other facilities and the park's provision of other sports.

Full consideration was given to this location and our partners were content with the location with the only concern raised being the distance of the Bellisle courses from the 'warm up' range. The sustainability of the facility was paramount and this became a significant factor at this location.

There was also significant concern raised from park users and local residents in addition to the Council's desire to establish Rozelle as a location for team sports who were already using the facilities on an ad hoc basis.

Coincidentally, it was suggested that establishing the Centre within the Bellisle Park should be considered and the Trust's focus turned to our last location.

SEAFIELD/OLD RACECOURSE

M&E were tasked to examine the possibility of locating the Centre within the Bellisle Park and came up with a plan which located the Centre on the area covering the 1st, 4th and 5th holes of Seafield course and the construction of 3 new holes on the Old Racecourse. This would have allowed the Centre to be close to the newly established and refurbished Bellisle facilities.

The Trust carried out extensive public consultation with local clubs and the local population which included posting brochures through the local residences. It also included:

a. Presentation to local golf clubs at Bellisle Club House.
b. Public consultation with our Consultant present, held at Ayr Town Hall.
c. Meeting with one of the local CC at County Buildings.
d. Second meeting with local golf clubs at Town Hall.
e. Presentation and consultation at local CC meeting.

It soon became clear that the local clubs supported the project but would like some alterations to the plan, including:

a. Retaining the iconic first hole.
b. Establishing a par 5 within the course.
c. Increasing the length of the Course
d. Increasing the LPGA par for the Course.

Having accepted the constructive points raised by the golf clubs we tasked M&E to re-examine the layout with the points raised.

This resulted in the retention of the first hole with the Centre concentrated on the 4th and 5th holes, replaced by 2 holes on the Old Racecourse. In addition, the additional requests were introduced into the small adjustments to the Course.

Knight, Kavanagh & Page (KKP) was appointed in September 2017 by the Ayrshire Golf Trust (AGT) to research the feasibility and prepare a business plan for a golf development centre in Ayr. This facility was to have been situated at Rozelle Park. The more likely scenario now is that the facility is likely to be situated at Belleisle Golf Course. This is the updated business plan for such a facility. It considers:

- The likely usage of such a facility.
- The likely cost of managing the facility.
- A suitable management model.
- The financial performance of the facility.
- Potential income streams including external funding through grants and other initiatives.
- The potential uptake of season ticket sales for South Ayrshire Council (SAC) golf facilities.

A golf development centre, as defined in the Scottish Golf Union (SGU) Facilities Plan 2012 is required to provide:

- Short game practice in the form of practice holes.
- Practice putting facilities.
- Practice bunkers.
- Access to coaches/professionals.
- Access for visiting professionals.
- Long game practice facilities, ideally in the form of a range with covered coaching bays.
- Public access to the provision.
- All year provision either by floodlighting or through the provision of indoor or covered provision.

The Golf Development Centre with a driving range, a short game area and a putting green is to be created within very close proximity of the new clubhouse facility. This would provide the full range of practice facilities required for the Centre. To accommodate this, the Seafield Course needs to be extended with the addition of two new holes to replace the existing 4th and 5th holes.

An important element of the report is to offer commentary on the extent to which the different elements of the proposed facility are likely to attract usage, what that usage might be and the potential management and operational aspects should be within the business planning options discussed.

The report also takes account of the views of a range of consultees and stakeholders (see Appendix 1), covering such issues as current provision and potential competition, links to governing body programmes and potential links with SAC.

Background

The AGT was established in 2012 with the aim of promoting golf, particularly junior golf in the local area. AGT holds a view that the development of golf in the local area is constrained by the absence of suitable learning, development and practice facilities. AGT originally proposed to develop learning and practice facilities at Maybole Golf Club. The preferred site is now Belleisle, as identified above.

Belleisle and Seafield golf courses owned and/or managed by SAC (see Figure 1.1 below). The site also has a full time resident PGA golf professional who operates from facilities on site.

Figure 1.1: Belleisle Golf Course Location

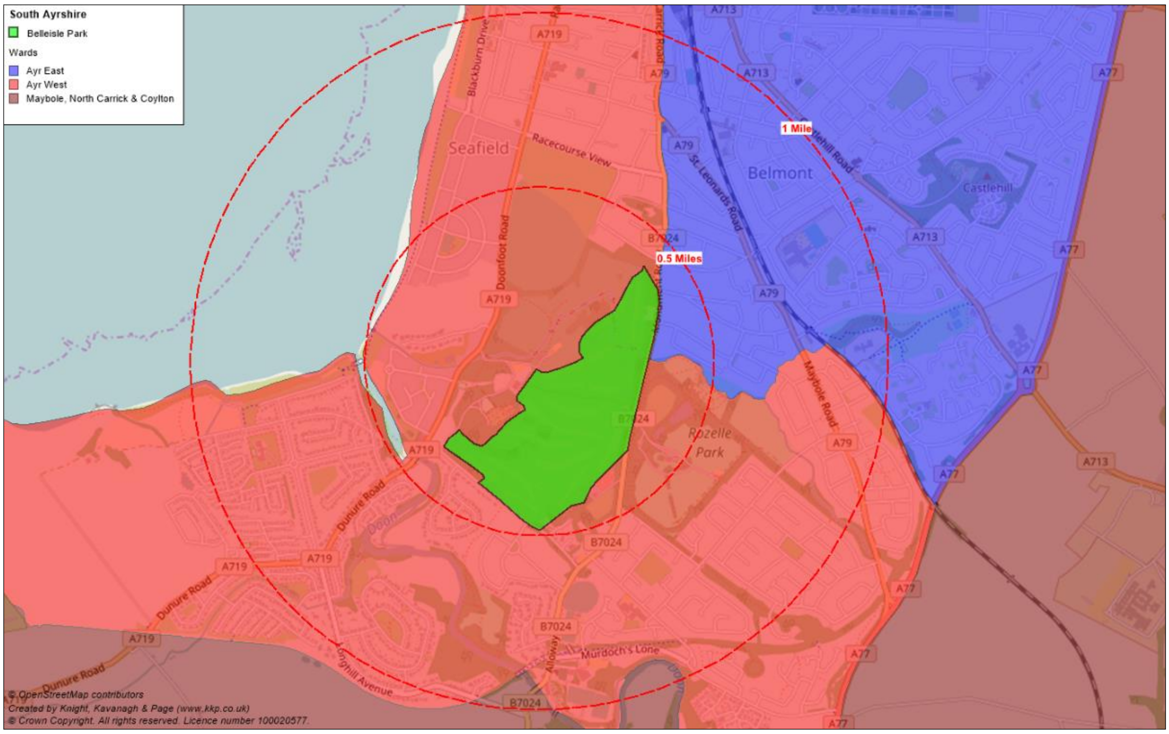
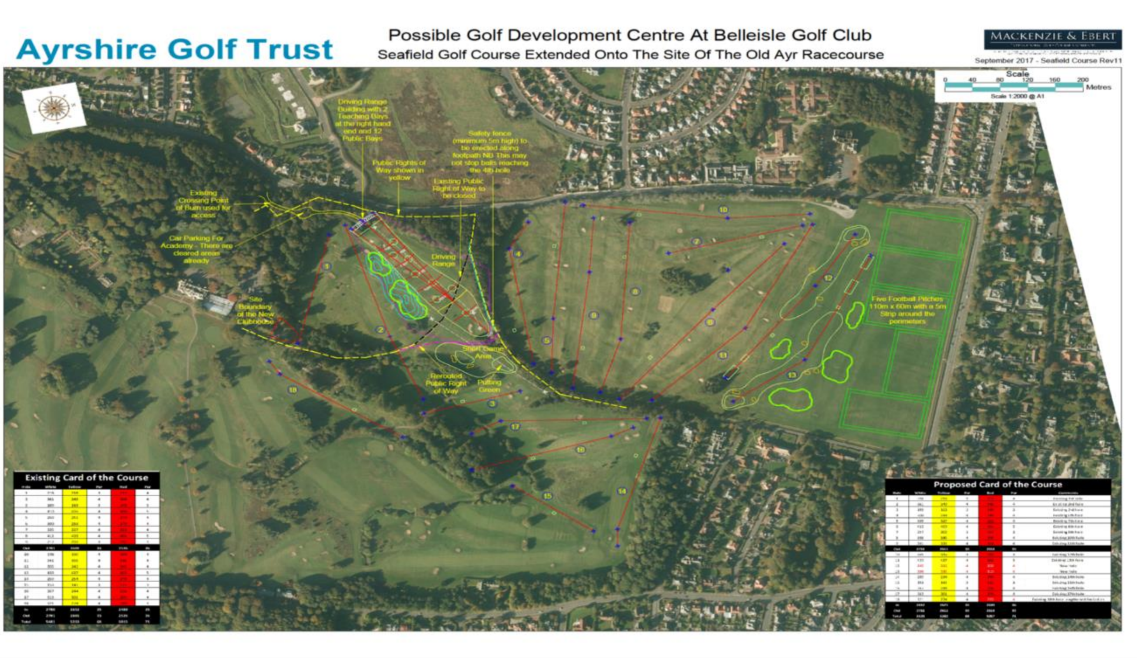


Figure 1.2: Aerial view of the layout for Belleisle and Seafield sites



Strategic context

SG is the national governing body for the sport of golf in Scotland. Based at the Home of Golf in St Andrews, it provides support to Scotland's affiliated 587 golf clubs, representing and adding value to a total of 211,000 golf club members.

SG's role ranges from the employment of 6 Regional Club Development Officers who provide face-to-face support to clubs, through to staging a series of national championships for golfers of all ages and abilities, while maintaining the handicap system to enable golfers of differing abilities, men and ladies alike, to compete on a fair and equitable basis.

SG strives to grow the game with increased membership; support sustainable clubs at the heart of their communities; develop Scottish players to succeed on the world stage, working with aligned partners playing a positive role in the game, all contributing to elevate Scotland's status back to the top of the world game.

Scottish Golf's Vision:

- *To reinvent, reposition and reinvigorate golf so that the game is grown and developed in Scotland via new markets and opportunities both locally and internationally.*

Scottish Golf's Mission:

- To build stronger clubs at the heart of their community
- To grow the number of people playing golf

- To develop winning golfers as great role models
- To lead and influence positive change within the game
- To harness golf and The Home of Golf's broad appeal to attract new audiences and investment

Strategic Objectives:

- Increase **Participation**
- Improve **Player Performance**
- Provide Meaningful Support to **Clubs & Facilities**
- **Effective Organisation**
- High Performing **Workforce** (Staff, Coaches, Volunteers)
- Increase **Affinity** (Commercial & Communication)
- Any plan must make the best of existing facilities.

The Plan concludes that in order to be effective it must:

- Invest only in locations which agree to best practice in terms of governance, business development, access especially for juniors and environmental standards.
- Only support developments where coaches and coaching are available for all.
- Invest to support and sustain clubs and courses and help them to grow their membership.

The value of Golf to Scotland's Economy- KPMG (2013)

- Scotland's total golf economy is estimated to generate £1.171 billion in revenues for the wider Scottish economy. On these earnings, the game supports a £496 million gross value added (GVA) contribution to GDP. This is 0.4% of the country's total economic output in 2011, or put another way £1 million in every £250 million of Scottish economic output is partly dependent on the game of golf.
- It is estimated that the golf industry supports approximately 20,000 people in employment in Scotland (or 0.8% of the total number of people employed).
- Over 600 golf facilities were operating in Scotland in 2011, including driving ranges and practice-specific facilities. Of these, 597 golf courses were the main revenue generators. Golf facilities contributed £582 million to the Scottish economy.
- Scottish Golf Tourism generated £120 million of revenue in 2011, in addition to visitor green fee revenues, their spending on equipment whilst visiting and attendance at tournaments which were considered in other clusters.
- Production and retail sales of golf supplies (equipment, apparel and accessories) generated £157 million in revenue for the Scottish economy in 2011. This revenue supported approximately 1,660 jobs that paid almost £26 million in wages and contributed £72 million in GVA to Scotland's GDP.

Strategic themes

There are a number of themes in the strategy documentation that lend support to the construction of a Golf Development Centre in South Ayrshire.

- The importance of golf to the Scottish economy is very significant, both nationally and locally.
- There is a need for high quality golf development facilities if numbers playing are going to be maintained or increased (not more courses).
- These facilities need to reflect the changing needs of golf and there is a requirement, for example, for short courses/practice facilities that are activated by coaches to allow people to develop the confidence and competence required to enjoy the game.
- Flexible access to facilities to meet the changing needs of consumers.
- Facility use and programming to meet the needs of the consumer, for example, six hole loops and junior tees.
- The wide range of golf courses and different facilities therein contribute to golf participation by attracting different segments of the population.

Summary

There is no desire to develop more golf courses in the country; however, there is a strategic need to develop more golf development centres/academies to help develop players at all levels of golf ability. Golf development centres are identified as being strategically significant and need to be high quality if numbers playing are going to be maintained or increased. The SGU has indicated its support for a golf development centre to be situated and developed to meet the need in South Ayrshire.

Footnote: Glasgow City Council is holding public consultation on the future of 6 public golf courses. Dundee City Council decided to close Camberdown Golf Course on 19 Aug 2019.

PART 2: MARKET ASSESSMENT

This section of the report is concerned with analysing the size and composition of the local population with a view to identifying potential users of the proposed golf development centre.

Population

The total population, from the 2012 mid-year estimate, in South Ayrshire was 112,900 (males- 53,800 and females - 59,100). The following chart illustrates the population's age and gender composition. The age structure is relatively evenly distributed across most population cohorts, paying due regard to the natural effect of ageing.

Figure 2.1: Comparative age/sex pyramids for South Ayrshire

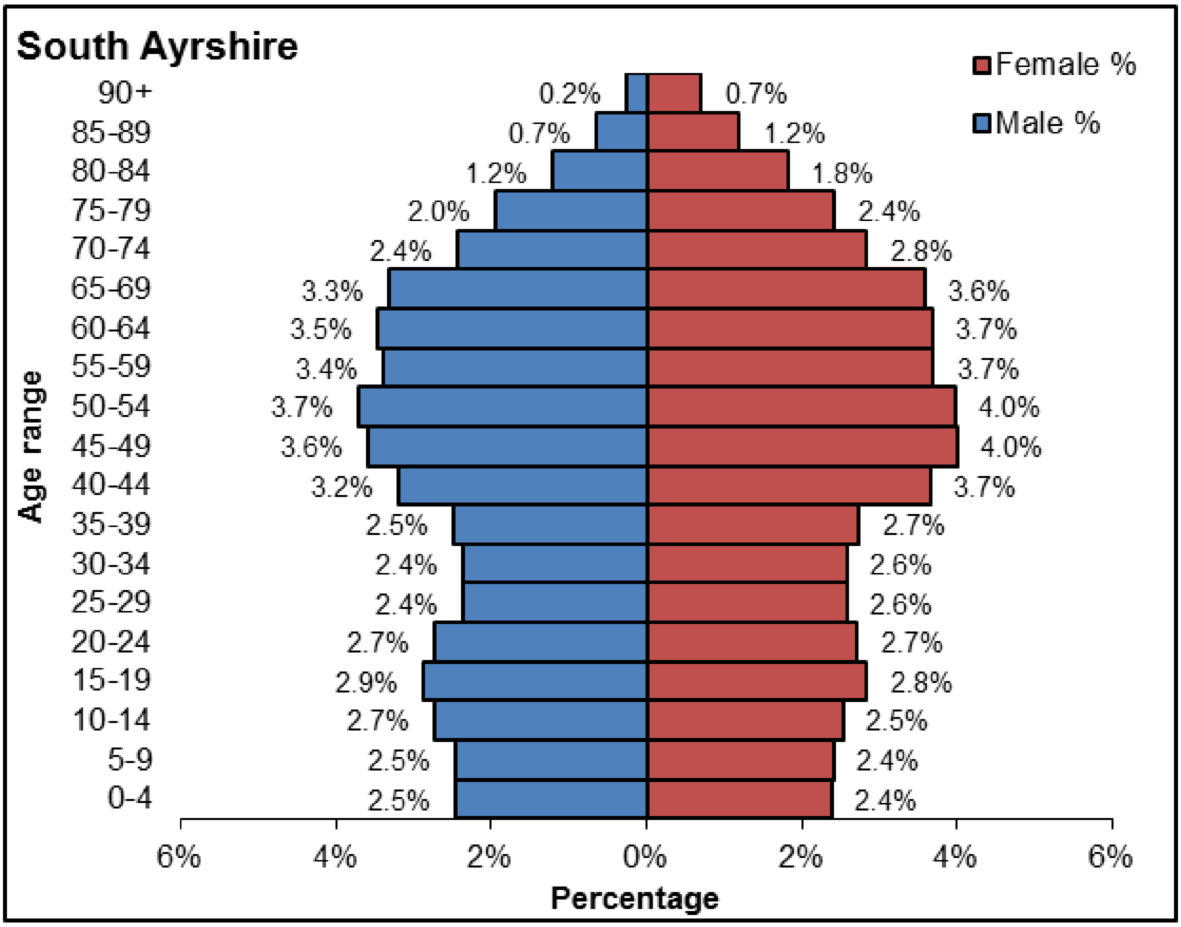


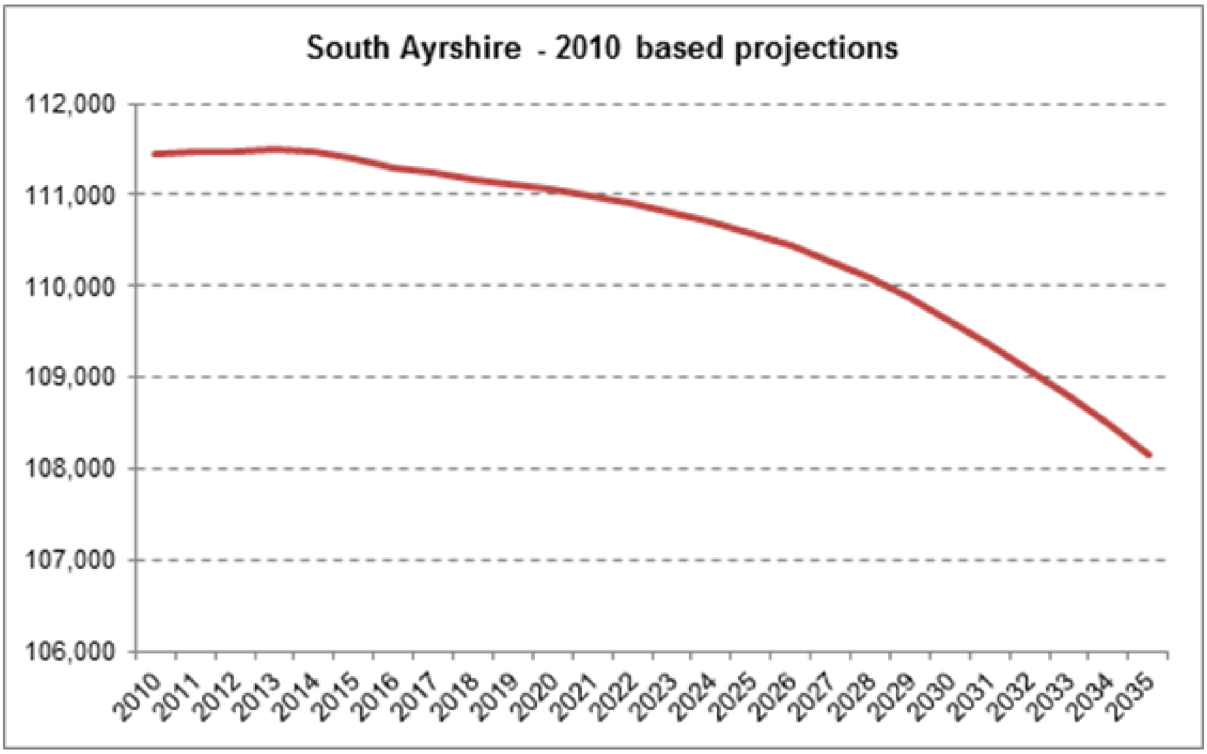
Table 2.1: Age breakdown for South Ayrshire

Age	Total	Percentage of the population
0 – 4	5,479	4.88
5 – 15	14,819	13.22
16 – 29	16,433	14.66
30 – 44	24,011	21.42
45 – 59	23,428	20.90
60 – 74	18,944	16.90
75+	9,909	8.84
Total	**112,097**	**100**

Population Projections

Population is expected to fall steadily over the next few years from 111,440 in 2010 to 108,146 by 2035, as identified in Figure 2.2 below.

Figure 2.2: South Ayrshire population projections



Source: National Records of Scotland (NRS)
2010-based principal population projections for Council areas by sex and single year of age, by Council area, 2010-2035

Population Profile

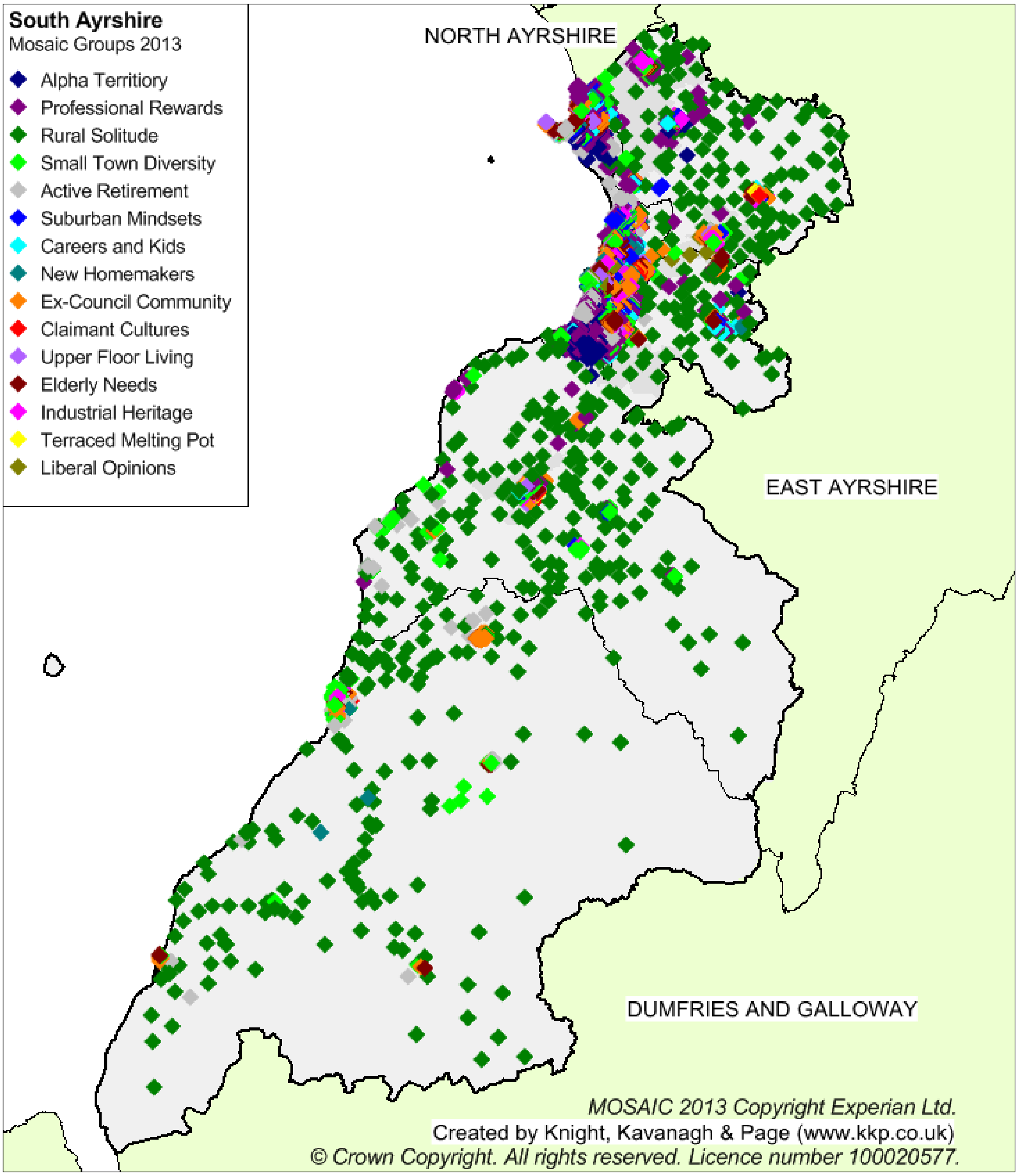
Mosaic

Mosaic 2013 is a consumer segmentation product and classifies all 26 million households into 15 groups, 67 household types and 155 segments. 62% of the information used to build Mosaic UK is sourced from a combination of data that includes Experian's UK Consumer Dynamics Database, which provides consumer demographic information for the UK's 47 million adults and 24 million households. This database is built from a variety of privacy–compliant public and Experian proprietary data and statistical models. These include the edited Electoral Roll, Council Tax property valuations, house sale prices, self-reported lifestyle surveys and other compiled consumer data.

This data can be used to paint a picture of UK consumers in terms of their social-demographics, lifestyles, culture and behaviour and tends to be used to draw out population characteristics. Table 2.3, overleaf, shows the top five mosaic classifications in South Ayrshire compared to the country as a whole. The dominance of these five segments can be seen inasmuch as they represent almost two thirds (61.7%) of the adult population compared to a national equivalent rate of less than half (44.1%).

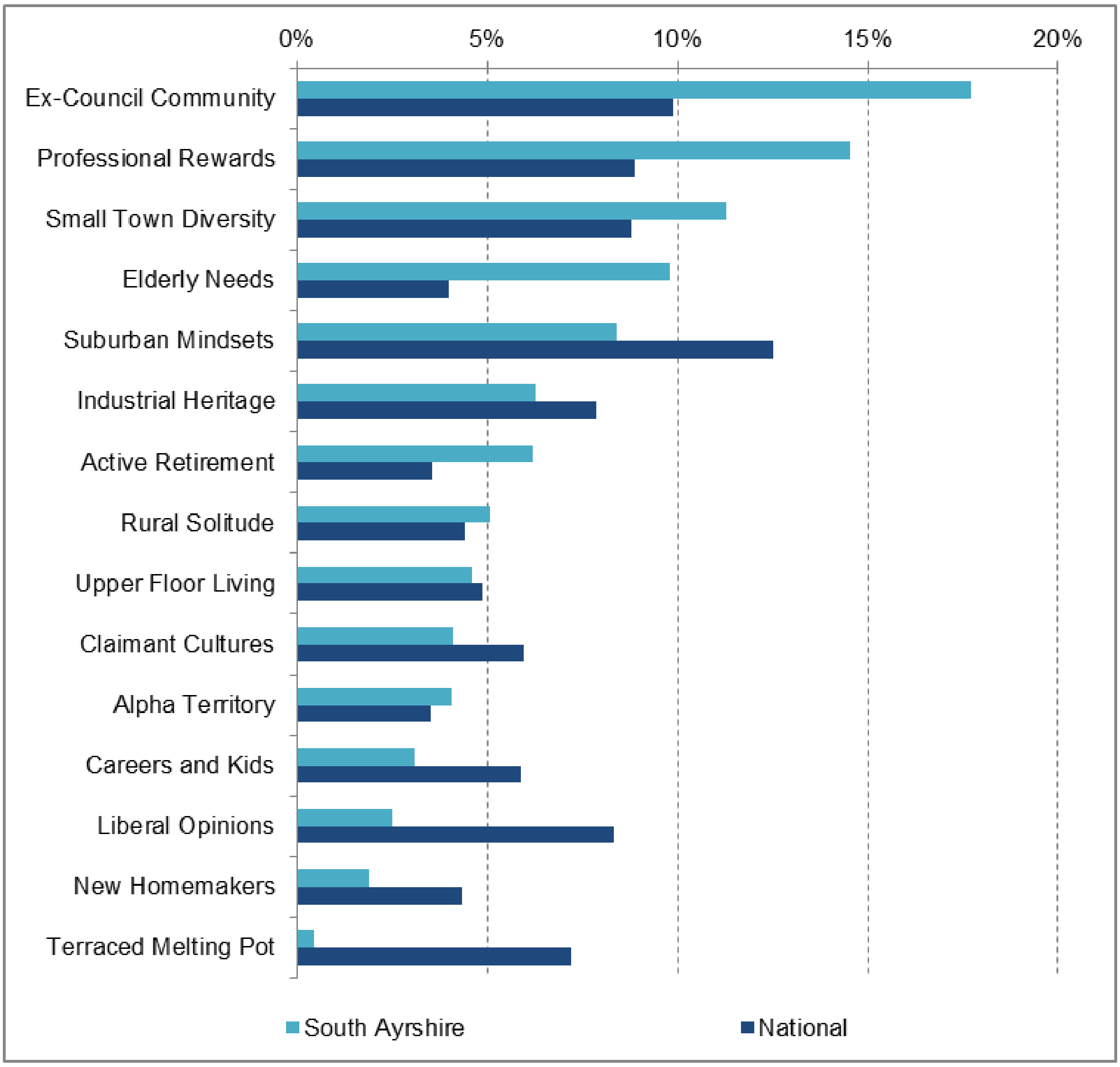
The largest segment profiled for South Ayrshire is the Ex-Council Community group, making up 17.7% of households in the area, which approaches twice the national rate (9.9%). This group is defined as people who are practical and enterprising. They have created a comfortable lifestyle for themselves through their own hard work. Many live on pleasant well-built council estates where a large proportion have exercised their right to buy. These communities are characterised by informal community networks often centred around their family and friends.

Figure 2.3: Mosaic Map of South Ayrshire 2013



(Data source: 2013 Mosaic analysis, Experian)

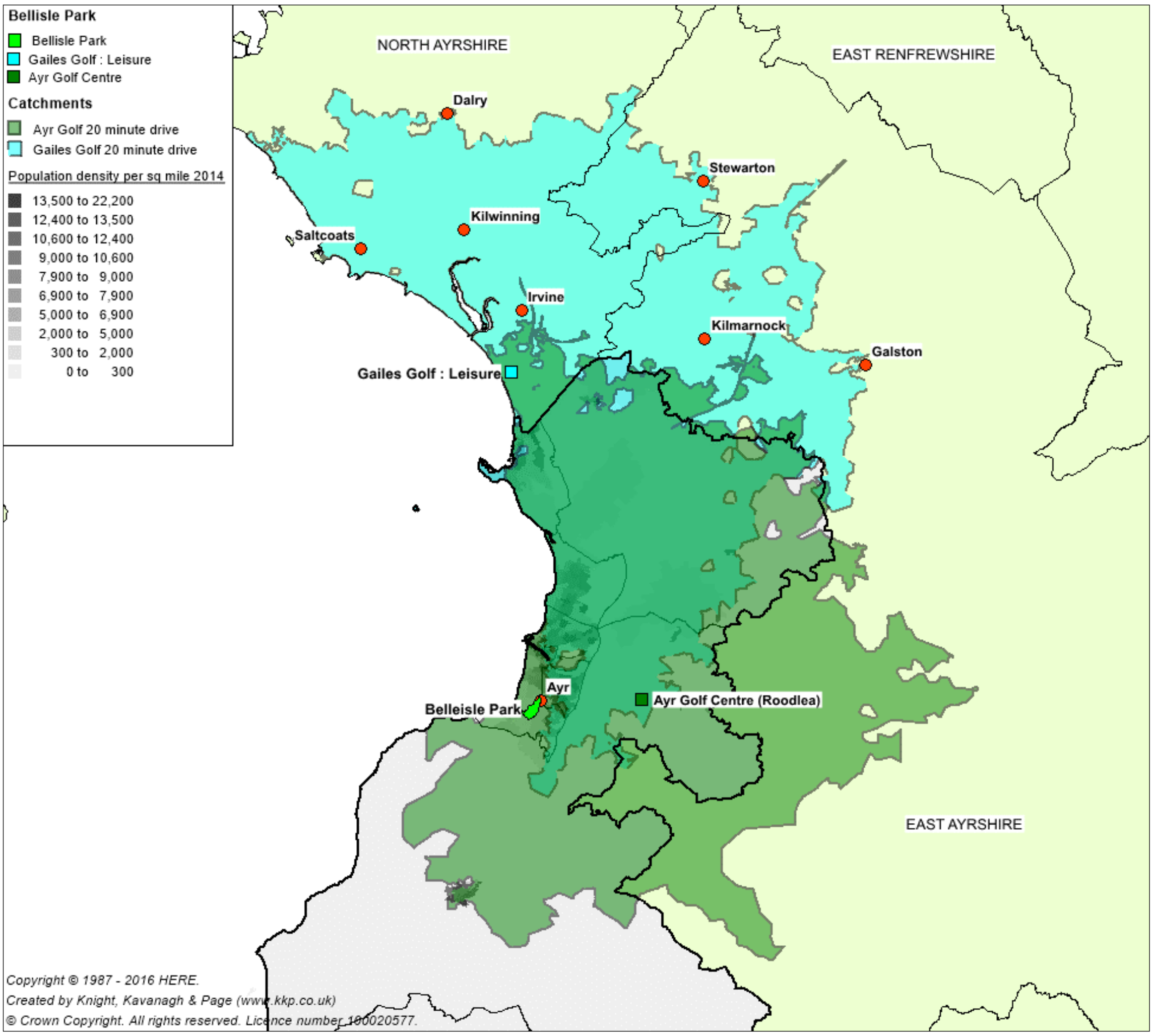
Figure 2.4: Mosaic profile of South Ayrshire



Golf development centre catchment population

Figure 2.5 below illustrates 10, 20 and 30 minute drive time catchment areas from Belleisle Park. Thirty minutes is regarded as the typical maximum drive time that individuals will travel to access specialist sport and leisure facilities on a regular basis. Clearly other factors influence an individual's decision to use a particular golf facility, for example, quality of the balls, mats and lighting, price and coaching provision.

Figure 2.5: 30, 20 and 10 Minute Drive Time Catchment Areas for Belleisle Golf Course



Data Source : Estimated MYE 2014 population by gender, single year of age and 2011 Data Zone area: 30 June 2014 (National Records of Scotland)

Table 2.3: Estimated catchment population for drive time areas

Cohort	Population 10 minute drive	Population 20 minute drive	Population 30 minute drive
0-4 years	672	3,307	6,089
5-15 years	1,896	7,700	13,845
16-29 years	2,540	10,780	19,034
30-44 years	2,589	11,427	20,470
45-59 years	4,038	15,408	27,726
60-74 years	4,203	13,273	23,618
75+ years	2,731	7,360	12,438
Totals	**18,669**	**69,255**	**123,220**

Within the core 20 minute drive time there are 69,255 residents. The 0–4 and 75+ cohorts are unlikely to be users of the golf development centre, leaving a resident population of some 58,600 potential users (this increases to 104,700 using the 30 minute profile).

To understand the more local market we have also calculated the 20 minute walk / 1 mile catchment area. This is the distance that people will walk to access a local leisure facility. The mile catchment area is illustrated below. Within the 0.5 mile catchment area there are 1,481 people whilst within a mile there are 10,981 people. The catchment area is overlaid upon the population density and as we can observe the site is located in a low density area.

Figure 2.6: 20 Minute Walk (1.6km) Catchment Area from Belleisle

Assessment of current golf centres

There are two publicly accessible golf driving ranges in the locality both of which offer a range of ancillary facilities. These are identified in Table 2.4 below and on Figure 2.7.

Table 2.4: Competitor Facilities within a 30 minute drive time

Name	Location /opening hours	Golf Centre Facilities
Ayr Golf Centre (Roodlea)	Ayr M-F 10.00 – 21.00 S-S 09.00 – 19.00	- 13 covered bay GDR - 4 uncovered bays - Short game area - 9 hole course - PGA Professional - Pro shop - Coffee shop
North Gailes Golf & Leisure (Hotel & Spa)	Irvine	- 27 covered bay GDR - 9 hole par 3 - Short game area - Target practice course - PGA Professionals - Golf shop (American Golf) - Coffee shop

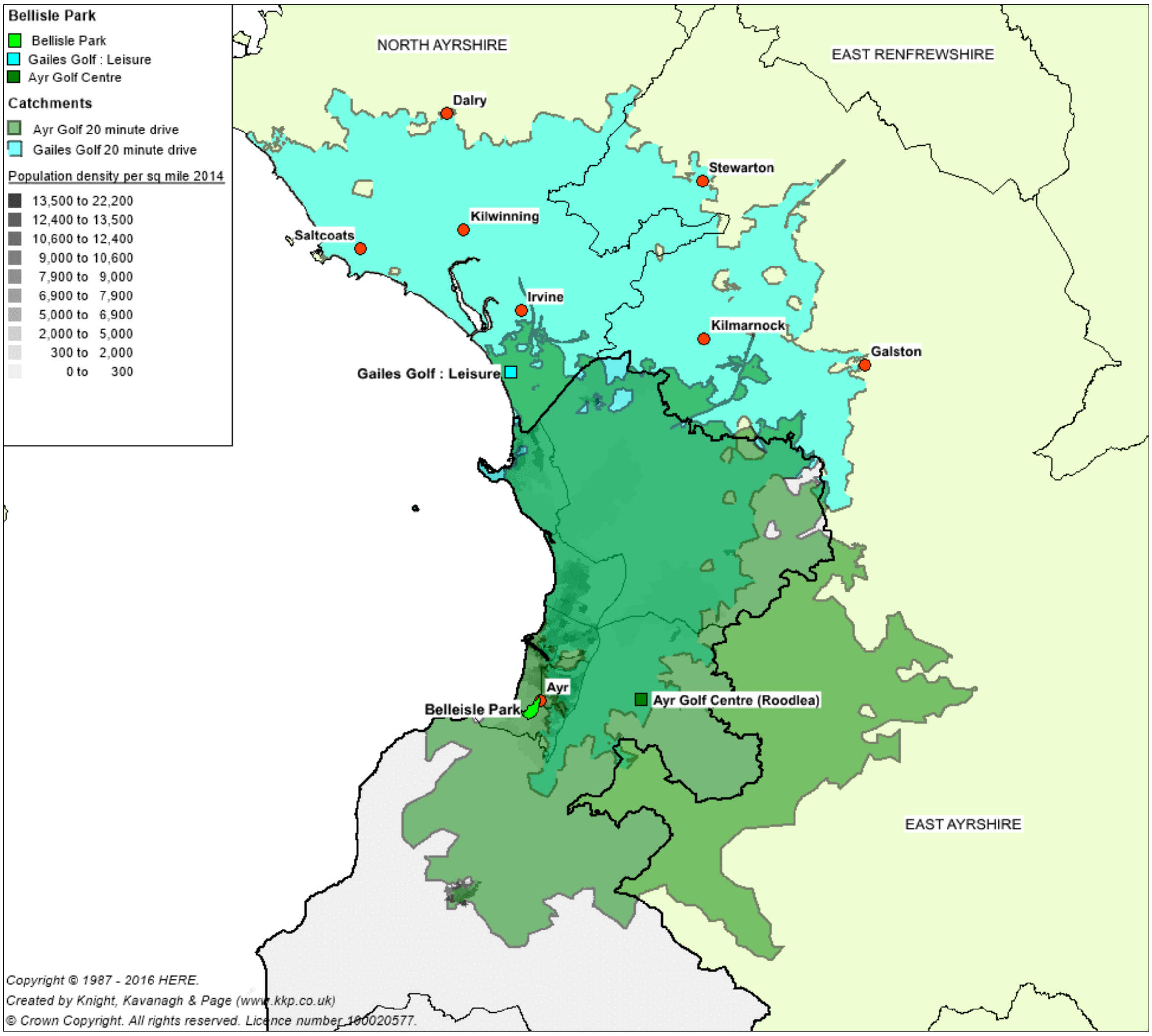
Figure 2.7 clearly indicates that the two current facilities and the proposed new facility at Belleisle Park are within a 20 minute drive time of each other; consumers and potential customers will therefore have a choice of facilities to visit. Consumer behaviour suggests that there are a range of factors which will influence which facilities will be used including:

- Drive time - This plays a key role, assuming all other things such as cost and quality remain equal.
- Customer loyalty – customers who are currently using a facility are more likely to remain with that facility rather than change, unless they can see significant benefits (such as quality of experience, significantly less time travelling or they are particularly price sensitive).
- Quality of facility- It is not uncommon for golfers to drive past a particular facility to one which suits their needs if they perceive that it provides better quality of greater value for money.
- Coach availability and quality of tuition - The availability of specific coaches can also have a positive effect as people will travel to and use facilities which have the coach which best suits their needs.

Gailes Golf and Leisure will currently be more attractive to the potential users in the North of South Ayrshire. Belleisle and the Ayr Golf Centre are likely to have more of a shared catchment. Belleisle is likely to be more attractive to people living in Ayr and along the coast to the south whilst the Ayr Golf Centre will be an easier journey for those living in East Ayrshire. If the proposed golf development centre is of sufficient quality, has excellent marketing and has the backing of the SGU it is likely that it will draw customers from up to a 30 minute drive time.

Providing the right product mix and an assertive marketing drive to both generate new customers and attract customers from existing facilities will be important.

Figure 2.7:Other golf centres within 20 minutes' drive time of Belleisle Park



Other club provision

Table 2.5 identifies two local clubs which have practice facilities and covered driving bays. These facilities are available mainly to club members and some visitors (and, in some cases, through special arrangements to squads for coaching). They are not considered publicly accessible to general club golfers so should not be considered to be in direct competition with the proposed Golf Development Centre. However, their existence will have an impact on the potential reach of the new facility.

Table 2.5: Local clubs with practice facilities and/or covered bays

Name	Golf Practice Facilities
Trump Turnberry Resort	Short game area Golf driving range (not lit) Putting green Swing room
Royal Troon Golf Club	12 bay golf driving range

Golf Participation

As the data in Table 2.6 illustrates, participation in golf is in decline amongst both genders and all age groups.

Table 2.6: Participation data in Scottish golf (2012)

PARTICIPATION DATA									
	All	Male	Female	16-24	25-34	35-44	45-59	60-74	75 plus
2007	9%								
2007/2008	8%	14%	3%	8%	9%	9%	9%	8%	3%
2009	8%	13%	2%	7%	8%	9%	8%	8%	4%
2009/2010	7%	12%	2%	7%	7%	9%	7%	8%	3%
2011	8%	15%	2%	7%	9%	8%	8%	9%	4%
2012	6%	11%	2%	6%	6%	6%	7%	8%	4%

Source: Scottish Household Survey Results - Participation in golf in last four weeks

The decline in golf participation has continued with 2018 figures suggesting that participation rate now sits at 4% made up of 79% male, 12% adult female and 9% junior. The SGU is working on a range of initiatives to reverse this trend and increase participation rates. The ClubGolf programme, the extension of the development centres coaching programme, as well as the raised profile via The Ryder and Solheim Cups (2014 and 2019) and the Open at Royal Troon in 2016 are all initiatives that have been pursued in South Ayrshire and are expected to have a positive impact on participation.

Based upon the SGU estimate that 4% of the population are regular golfers, an estimate of the number of current golfers can be made within the 10, 20 and 30 minute drive time of Belleisle Park as follows: A regular golfer is described as one who has participated in golf in the four week prior to the survey.

Table 2.7: Estimate of the golf playing members of within 10, 20 and 30 minute drive time

Drive time	Catchment population	Number of golfers assuming 4% of the population participate
10 minutes	15,270	610
20 minutes	58,600	2,344
30 minutes	104,700	4,188

Golf South Ayrshire Season Ticket Holders

In 2018/19 there were 165,000 rounds of golf recorded across the 8 courses. 3523 season ticket holders played over 137,900 member rounds of golf and over 27,100 visitor rounds played. Over 51,000 of these rounds were played at Belleisle Park which is a significant market to potentially attract to the golf development centre. Of the courses in the SAC portfolio, Belleisle and Seafield are two of the most popular courses in the portfolio of courses and for example, if 1 in 50 users visit the development centre, once a month it could result in over 12,000 visits per annum to the development centre. Therefore, existing Golf South Ayrshire Season Ticket Holders will be an important target market. It is recommended that some form of season ticket holder offer be attached to using the practice facilities. For example, ball discount, lesson packages, bring a non-golfing friend etc.

Junior Development Initiatives

The national decline in golf participation in Scotland and the hosting of the Ryder Cup led the Scottish Parliament to introduce a programme designed to offer every school child in Primary 5, golf coaching. The programme is taught using lightweight plastic golf equipment and is designed to be taught, following training by the primary teaching staff.

Towards the end of the six week teaching programme schools are encouraged to identify local pathways through golf clubs and other practice facilities where pupils can take their learning to the next level and visit a facility away from the school environment where golf is taught and played. The school roll for Primary 5 in South Ayrshire equated to approximately 1000 pupils in 2014/15.

This will be one of the Trust's target segments and plans to provide access to the centre with tuition by PGA coaches.

Existing Programmes

Belleisle Park

The Golf Professional runs regular coaching sessions on a Friday and Saturday morning and regularly attracts around 50 juniors per week

Junior Golf Passport

Golf South Ayrshire has organised regular coaching sessions across 4 sites (Belleisle Park, Troon Links, Dalmilling and Maybole). Whilst initially popular and engaging with over 40 juniors per week in 2018, subsequent sign up in 2019 has been poorer than expected.

Active Schools Golf Festivals

Active Schools have organised 4 golf festivals per year across a number of locations, these have proved popular and have engaged with over 400 primary school pupils over the past 3 years.

Free Season Ticket for U12's

In 2016, a free U12's Season Ticket was introduced whilst this has proved popular the service has not been able to fully engage with this demographic. There are currently 290 Under 12 season ticket holders.

South Ayrshire Golf Development Programmes

SAC has long been involved in golf development programmes targeted at both adults and children. Table 2.9 indicates the uptake in winter and summer programmes:

Table 2.9: South Ayrshire Golf Development Programme Participation

2017

Course	Easter	Summer	Total
Belleisle Park	8	16	24
Troon Links	0	9	9

2018

Course	Easter	Summer	Total
Belleisle Park	12	11	25
Troon Links	6	12	18

2019

Course	Easter	Summer	Total
Belleisle Park	6	0	6
Troon Links	7	11	18

Source: SAC Golf Development

Consultation

Officer's with a responsibility for golf development in South Ayrshire support the proposed development of a golf development centre in Ayr believing that it will provide a focus for junior golf development across South Ayrshire. All consultees commented that the current situation, in respect of golf development, did not provide suitable pathways for young people, with programmes disrupted in winter by the lack of suitable practice facilities.

In addition, the pathways to club golf development programmes do not work effectively leading to disjointed junior golf development, with a subsequent poor uptake of the game and resultant low junior membership in clubs. The take up of Primary 5 has however been relatively successful.

We have areas of significant deprivation within South Ayrshire and these areas will be targeted to give the children the opportunity to try golf through the Curriculum for Excellence within their school time.

An example of good practice can be found at Broadlees Golf in Strathaven, a privately developed facility, on farmland in East Ayrshire. A successful series of junior coaching groups has been developed and it now has over 100 registered members aged from 5 – 14 years in its Academy Programme. Each child pays £45 for a 6 week course of tuition led by a PGA Professional at the golf range.

The SGU confirmed their support for a high quality practice facility to meet a strategic need for training and development facilities in South Ayrshire. As such, when consulted by SS, on any subsequent funding application, the SGU will be in a position to support the development. SGU support, is a prerequisite for any funding application to SS although this support does not guarantee that a funding application will be successful.

It is envisaged that SGU development squads in South Ayrshire will be based at the Centre. Current winter training and development is focused around eight squads (four boys and four girls) of eight athletes who receive 30 hours coaching over the winter period. The current cost of this programme is £160 (paid by the participants).

SGU indicated that be-spoke practice facilities developed as part of a hub of facilities at Belleisle Golf Club will enhance the chances of Belleisle attracting future SGU Championship events. SAC investment in the clubhouse facilities together with high quality practice provision will make the course, which is considered high quality, an attractive proposition for tournament organisers where ancillary facilities to accommodate player and spectator needs are essential.

The under 18 boy’s squad has previously used facilities at the Inverclyde National Sports Training Centre which has high quality, long and short game, provision. The journey time, however, has limited the appeal of the venue and it has been arranged that the squad will use the Trump Turnberry Resort for the subsequent seasons. Trump Turnberry has also recently been used as the local SGU Development Centre.

Should a new facility be provided at Belleisle, Ayrshire Golf Association will consider basing the under 18 and proposed future under 14 development and training activity at the venue. In the winter months squads meet for one day per month, normally at weekends. The Centre will allow developing golfers to work on their game throughout the winter.

Table 2.9 below summarises the current development initiatives identified through consultation who have indicated that they will use the proposed facility.

Table 2.9: Potential user base from current development initiatives

Development initiatives	Potential users
Primary 5	1000 year 5’s in South Ayrshire Schools.
SAC golf development programme	180
SGU development squads	64 (8 squads of 8)

South Ayrshire Golf Association u.18/ u.14 squads	16 (2 squads of 8)

Consultation with Ayrshire Golf Scotland, (which is responsible for developing golf tourism in the area), also welcomes the proposed new facilities as an additional resource. It recognises that it is unlikely to draw in additional tourists; however, it has the potential to improve the quality of the golf experience of those who choose to use the facilities. Ayrshire Golf Scotland has indicated that it will help to promote the new facility as part of its existing network. Whilst it would not be a primary reason for a golf tourist to visit the region it may be a facility they would visit in preparation for playing some of the courses.

Potential golf development centre users

The golf industry is unable to provide figures for a percentage of the population who are regular users of golf driving ranges. Estimating numbers of potential users is therefore undertaken by considering the profile and behaviours of typical user groups. Table 2.10 indicates various golfing segments with a view to identifying their propensity to utilise a new facility. Different segments include golfers who already play the game and non-golfers who visit the range to learn and practice skills which will enable them to play on a golf course. Few range users do not play golf. Visits to a range are made most usually made to improve or to learn a skill.

Table 2.10: Golf segmentation model

Golf type	Description
Avid golfers	Golfers who play a lot of golf and who like to practice on a regular basis. These types of users are likely to be club members who play and practice all year round. They might also visit a range to warm up prior to taking part in a competition. Typically they might visit the range 2-3 times per week.
Keen golfers	Club members who play a lot of golf. Typically go to the range maybe once a week. Likely to engage in a series of lessons.
Typical club golfers	Golfers typically play once a week. They tend to go to the range when their game is not going so well **and** will book lessons accordingly.
Seasonal golfers	More likely to play in good weather and will typically use the golf range as a way of getting back into golf after a winter layoff. They may make a few intensive visits
Occasional golfers	Likes to play golf but may be short of time and therefore will use the range when an opportunity to play, weekend away, corporate day, is imminent.
Holiday/tourist golfers	Visitors to an area who will use the range and practice facilities prior to playing local courses.
Society visitors	Often contains keen golfers who like to visit a range prior to playing a competition. These groups can arrive at a venue early and en masse. Some of these golfers will use this extra time to visit the range prior to playing the course. Belleisle is a popular society golf venue
Corporate markets	This segment will often choose a venue with good practice facilities as it provides additional facilities at which to entertain customers/clients with either balls to hit prior to playing or a 10

	minute lesson with the Professional.
New golfers	New golfers are attracted to a golf centre through the opportunity to take golf lessons in either a 1-1 situation with a Golf Professional or in a group situation. Having started lessons, new golfers are likely to visit a golf range to practice the skills they are being taught and to develop their skills to the point when they feel confident to go out onto a course to play.
Developing regular users	Attracting users to the golf development centre will require marketing and business development, with a view to developing loyalty amongst users whilst attracting new golfers.

Estimating participation levels at a new development centre

Not all existing golfers are users of practice facilities. As illustrated above the golf market is segmented with a different approach to practice and use of a golf development centre taken by different segments of the market.

Based upon the population analysis, drive time catchment area and percentage of the local population known to participate in golf we estimate a new golf development centre could, with good marketing and significant investment in development courses attract the following numbers of users. These activity levels provide the basis for the business plan projections in section 4.

Table 2.11: Development Centre Participation Estimates Years 1 - 3

User Group	Year 1	Year 2	Year 3
Pay and play	7000*	8250	9500
1-1 lessons	1000	1250	1500
Development groups and performance squads (No of 6 week development sessions per annum.)	17	21	21
Holiday camps	4	4	6

**this assumes 200 people use 50 balls 10 time per year; 400 people buy 100 balls 10 times per year and 100 uses by corporate members or others. It is also envisaged that there will be additional activity from golf tourism and the general golfing market - this is not factored in to err on the side of caution.*

Pay and play are customers who visit the centre to hit balls on the range and use the practice facilities will be derived from the different market segments discussed earlier.

One to one lessons – these are customers who visit the range to take part in individual lessons with a PGA Professional or one of the team. The pricing structure includes an element of payment for the coach and a fee for balls.

Development squads - groups of individuals who enrol on a 6 or 12 week block of instruction to learn and develop their skills. Balls are included within the pricing structure. Maximum 8 per group. Proposed groups include disability golfers, under 16's boys and girls, women and seniors.

Performance squads - groups of golfers selected through local associations to attend the development centre to receive coaching. Maximum eight per group.

Holiday camps – typically three day courses - 5 – 6 hours each day for young people that take place during the school holidays. They can use a mix of practice and playing facilities and may also engage in some classroom based learning. Camps can be arranged around ability or age groups.

Summary

Organised courses of instruction with development groups and performance squads and 1 – 1 lessons will be an important source of income and be an essential element of the programme to encourage pay and play use.

Management options

The golf development centre has been the subject of a number of consultation meetings with a range of representatives. See appendix 1. There are a range of issues which need to be considered with regard to the management of the new facility at Belleisle as identified below.

Table 3.1 Consultation summary identified advantages of hosting the Academy at Belleisle Park

Advantages
◂ An excellent location with good access and plenty of room to accommodate all aspects of a golf development centre.
◂ Situated so that it can benefit from its location in proximity to Belleisle and Seafield Golf Courses.
◂ Management presence already on site
◂ Maintenance staff of golf courses already on site.
◂ Opportunity to improve car parking for all users of the Park.
◂ Opportunity to develop footfall on the site in general.
◂ Will link to wider golf tourism in the area.
◂ Opportunities for partnership development.

PART 3: MANAGEMENT AND OPERATIONS

This section considers the type of management and operation which will need to be undertaken to ensure that a new facility is operated efficiently and effectively. The financial summary is detailed in Part 4. This is underpinned by a number of assumptions related to the operation of the site.

The business plan has been developed on the basis that the operation of the site is undertaken by the AGT in close association (partnership) with a golf professional based at Belleisle and Seafield sites (this, however, should be subject to a tendering process to ensure accountability and the most financially viable plan).

Management options

Strong, effective and flexible management will be key to the success of any proposed new facility. The main operational issues which will need to be addressed are as follows:

- Administration
- Financial probity
- Insurance
- Health and safety
- Maintenance issues such as ball collection, washing and machine stocking
- Grounds maintenance
- Coaching and managing coaching programmes
- Supervision and safeguarding
- Access and car parking
- General supervision and management of the site/cleaning
- Marketing
- Provision of refreshments
- General enquiries.

This list is not exhaustive but is indicative of the main operational responsibilities which will need to be undertaken to facilitate efficient and effective operational management.

Operational Management Structure

It is assumed that the golf development centre will be the responsibility of the AGT. It is further assumed that AGT will need to work in partnership with several individuals and organisations to make the best use of existing resources and expertise to deliver the centre and the golf development outputs. The key partners are likely to be SAC, SGU and a golf professional working on site.

Partnership Opportunities

Working with SAC

SAC is supportive of the proposal to bring a golf development centre to South Ayrshire. Practical help to make resources available to assist the AGT with grounds maintenance and golf maintenance requirements have been discussed and agreed in principle. SAC is, however, not in a position to offer ongoing revenue support.

Management through the existing resources at Belleisle Park

Operationally, it is expected that the majority of golf development centre users will travel to the facility by car and, therefore, more car parking spaces will be required generally. The synergy of those already situated at Bellisle would be crucial to the operation of the Centre and are summarised at Table 3.2

Range users often utilise time during a lunch break or after work; immediate access from the parking area to the facilities is a significant factor in attracting repeat visitors

Table 3.2: Strengths and Weaknesses of Centre

Advantages	Disadvantages
• It is most cost effective (reduced manning). • Operation by both cash and tokens means that the process of obtaining balls will be efficient. • Regulars will be familiar with the process. • Current golfers are likely to use the new facilities to hone their skill. • It can be used during bad weather • On site ancillary facilities will complement the new facilities. • It has the potential to draw in new users to golf. There is increased likelihood that new users will be drawn into the game given the different levels of opportunity to play on site. • Site management and administration is already in place. • Increased use of the café for refreshments due to increased footfall.	• There is a tendency at driving ranges to retrieve balls which have just gone onto the range. It will be necessary, from a health and safety perspective, to ensure that this does not happen. • Ball theft is an issue at many ranges so the timing and frequency of ball collection will need to be varied but regular (this also assumes that there will be adequate fencing to stop dog walkers and others helping themselves to balls).

SAC currently maintains Belleisle Golf Course through a specialist golf maintenance team. It will be necessary for this workforce to take on the extra maintenance, however, the exact agreement and extent of the support will need to be agreed in more detail.

This management option assumes that coaching staff will hire the facility for personal use or be employed by the AGT to run development courses, through the staff employed to manage the Centre.

Administration for bookings and a payment system for the teaching bays, enrolment onto courses and use by external squads and professionals will need to be established. It is likely that the current staffing arrangements will be able to cope with increased throughput and footfall on site as the reception area already exists so can provide administrative requirements of the centre.

However, if required, discussion would be required with SAC with regard to leasing space in the administration area of the facility for staff use

Summary

The proposed driving range at Belleisle is the best location in the area given the current set up at the facility. With two courses, an improved clubhouse, refurbished Stables and a professional employed on site, the throughput is already high with many current users likely to use the golf range either to practice or use it as a warm up activity prior to playing.

In addition, Centres can be busiest during the winter months when keen golfers will work on their game. On-site management and maintenance staff will also ensure that additional costs will be kept to a minimum.

Management via Belleisle and Seafield Golf Courses

Consultation with the AGT and the local Council Staff identifies that a proposed new golf development centre could become an integral part of the overall package offered through the golf course and golf clubhouse and refurbished Stable facilities being developed at Belleisle Golf Club.

The new clubhouse and stable building were constructed to meet the needs of Belleisle and the adjoining Seafield golf courses. The clubhouse will serve the needs of members and visitors to Belleisle and Seafield Golf Courses. It accommodates changing facilities, clubrooms, café facilities a pro-shop/office and swing room and be open from early morning (7/8am) till nightfall on a year-round basis to serve the needs of members and visiting golfers.

Belleisle and Seafield Golf Courses lack access to high quality practice facilities. A proposed golf development centre will provide complementary practice facilities available for use by members and visitors to the existing golf complex. It is envisaged that players will visit the golf range to warm up prior to playing a round of golf and that some players will become regular visitors to the range and short game areas to practice and take golf lessons. Conversely, newcomers to the game of golf will be encouraged to develop their skills at both the Seafield and Belleisle courses, as their game develops.

In discussion with local PGA professionals, it is clear that that they would be keen to be involved in the development of the new golf development centre. The centre could be incorporated into the ‘facility hub’ with operational management being undertaken by a golfing team and the facility developed as an integral part of the golf complex.

The managing professional will be paid a management fee with all operating and development costs being met by the AGT. Coaching staff will be paid on an hourly basis, with coaching costs being met through fees paid by participants. In this business model, all operating costs will need to be met through the revenue generated at the range through ball sales and other income streams such as membership and/or sponsorship.

It is recommended that a heads of agreement needs to be negotiated as the project moves forward ensuring that each party understands the associated risks and rewards. Maintenance of the facilities i.e. the grassland areas will continue to be met by SAC through ground maintenance staff and green keeping as discussed previously. SAC is keen to be a partner and whilst unable to provide revenue funding for the project it is able to offer assistance with the grounds maintenance. It is understood that help will be through the current establishment and not new staff members. Written confirmation will be required from SAC as the project moves forwards.

Summary

In summary, the opportunity to engage a third-party operator with specialist golf management and operational skills and expertise will be a major benefit to a new facility.

The proximity of the clubhouse and the staff resources available at Belleisle offers considerable flexibility to resource the golf development. The management arrangements will be subject to a tendering process but the principle of using a qualified Professional Coach already working with several squads appears to be prudent. It will allow access to other qualified coaches who can be readily employed to resource marketing, business development and group coaching activity.

The hours of operation at Belleisle are compatible with a new golf development centre; therefore, managing the golf development centre around the existing golf operation appears to be an advantageous fit. However, the facility will have the ability to be stand-alone and operate outside the hours of clubhouse opening.

It is expected that the established golf complex and staff will offer integrated packages to the customers. The golf development centre and access to teaching resources is advantageous to all parties who can help to generate use amongst golfers.

Managing the facilities through a golf professional appears to offer a good solution to AGT, offering flexibility and local expertise.

PART 4: PROJECT COSTS AND BUSINESS PLANNING

The business plan includes a range of key assumptions about cost of facilities, programme hours, pricing and occupancy rates in order to identify the income generation potential at the facility. Key assumptions are described below.

Capital costs

Discussion with development staff at SS identified potential development costs for a golf development centre ranging from £200,000-£600,000 (based on the specifications in the SGU factsheet). Table 4.1 below indicates estimates of the potential costs of each element required for the capital investment into such a facility. It should be noted that all figures quoted are net of VAT and can vary significantly depending upon the quality of the specification.

Table 4.1: Indicative development costs

Element	Assumption	Estimated Costs (£)
Infrastructure	[redacted]	[redacted]
Range Building	[redacted]	[redacted]
Floodlighting	[redacted]	[redacted]
Fencing	[redacted]	[redacted]
Car parking	[redacted]	[redacted]
Short game area	[redacted]	[redacted]
Putting green		[redacted]
[redacted]	[redacted]	[redacted]
Total		**410,000 – 465,000**

SGU Development Centre Programme staff reiterated the SGU strategic support for facilities in South Ayrshire. The Development Centre's programme, which began in 2012, has seen a number of centres open in Scotland. All of these so far, have however, been established at existing facilities i.e. not stand alone. Comparative building costs are therefore not available.

Given the wide range of cost variables, the SGU is only able to provide the facility design factsheets to assist would be providers. Detailed costs will need to be produced against detailed plans and a product specification once site and soil investigations have been undertaken.

Capital Funding

Grant aid could potentially be forthcoming from SS who can fund up to 50% of the capital cost but recent consultation suggest that £100,000 funding could be expected from SS. In addition, a local Sports Trust has indicated that an additional £100,000 grant could be expected but both would be dependent on SAC providing a similar total towards the project. The guide to **SS** funding is contained in Appendix 3.

Planning consent must be achieved before part two of the application can be submitted. Any building scheme must have a life expectancy of 25 years and for schemes with a capital cost greater that £100,000, 25 years security of tenure must be established.

The R&A has a £5million development fund. Junior golf is a key development priority and provided that AGT is affiliated to the R&A it can anticipate a funding stream for this project. The extent of the funding would need to be the subject of further discussion with the R&A fund managers once a detailed project plan with actual costs has been agreed.

SAC is committed to in-kind support through the parks and golf course maintenance teams.

AGT will require a long term lease (25 years minimum) and assistance to overcome any issue relating to the ‘common good’ designation. It is anticipated that SAC, as the land owner may be able to assist AGT with these issues and potentially absorb any costs incurred in legal and planning fees.

Footnote: A contribution from the Council to construct the 2 replacement holes on the Old Racecourse plus a £100,000 contribution from the VAT is requested. This matches the same figure from a local Sports Trust and the figure from SS.

Business planning

This section outlines the indicative business plan based on the following assumptions:

Table 4.2: General business planning key assumptions

Item	Assumptions
Opening hours	Monday – Friday 09.00 – 2100 hours Saturday 08.00 – 18.00 Sunday 09.00 – 17.00 Total 64 hours per week.
Mature Year of Operation	Year 3 = mature year of operation
Inflation rate	Year 4 and 5 + 2.5% inflation on all income and expenditure.

Table 4.3: Key assumptions for income generation

No.	Item	Assumptions
1	Sponsorship	Local advertising boards at the range @ £200 each.
2	Membership	Range members paying £100 each – ball discount / lesson deal / short game area access
3	Pay as you Play - Ball sales	£4.00 – 50 balls £4.50 in Year 3 £7.00 – 100 balls £8.00 in Year 3 £11.00 – 200 balls- £12.00 in Year 3 For range and short game area use.
4	Group Coaching	Coaching groups run in blocks of 6 weeks over 36 weeks of the year. Equivalent of 6 sessions per annum per group. Balls included within the fee.
	Performance squads	30 hours delivered over the winter period.
5	Individual coaching	1 – 1 booked privately. Lessons at the range per week @£40 / £50 year 3. Participants buy balls in addition to lesson charges.
	Holiday camps	3x holiday camps run during school holidays periods.
6	Vending	0.20p per users. Estimated 20,000 users Rights to vend refreshments in the park may be restricted through the existing café franchise agreement.

Table 4.4: Key assumptions regarding expenditure

It is assumed that the driving range will have an automatic facility to access the range ball and that there would be no onsite presence outside of the normal working hours.

No.	Item	Assumptions
1	Manager working alongside the Professional on site	To be discussed alongside the management options and proposed staffing arrangements (c. £25,000) plus on costs to manage the site.
2	Staffing oncosts	Oncosts are estimated at 25%
3	Ground staff	35 hours per week @ £9.00 year 1, £9.00 year 2, £10.00 year 3. Duties ball collection, ball washing, ball machine loading and maintenance, generally tidying, cleaning, minor repairs. Shift pattern to cover 5 hours per day.

No.	Item	Assumptions
4	Group Coaching	A coach will be required to deliver the AGT Development Programme. 17 courses scheduled in year 1, 21 courses in year 2 and 21 courses in year 3. These could be run as a block of 2 x 6 weeks or as a block of 12 as SAC currently does over the winter. The AGT programme will complement the SAC provision. Cost £25 per session per coach in all years of the plan.
5	Individual coaching	1 – 1 coaching arranged and booked by the individual. 30 lessons per week over 50 weeks. Participants pay coach assume £25 per lesson and buy golf balls
6	Insurance	Insurance for range operation. Public liability. Buildings and contents. Ball theft.
7	Heating	Reception building
8	Electricity	Reception building, parking area and floodlights
9	ICT/Phones/	Communications charges
10	Consumables	Cleaning products for building and ball washing equipment, replacement tees, mats, balls etc.
11	Vending	Cost of vending/fridge products – drinks and chocolate bars 66% of sales.
12	Replacement range balls	Stock replaced in full after 3 years
13	Uniforms	Polo shirts, sweaters, windcheaters for staff.
14	Repairs and Maintenance	Small scale repairs to the range, short game area, perimeter fencing etc.
15	Grounds maintenance	To be delivered by SAC through existing resources at no cost to AGT
16	Marketing	Marketing budget for website, printing and publishing leaflets, social media
17	Sinking fund	Percentage of turnover to be discussed. Typically 10 – 15%

Table 4.5: Projected (estimated) income

No.	Golf Development Centre	Year 1	Year 2	Year 3	Year 4	Year 5
		£	£	£	£	£
	Income					
1	Sponsorship	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2	Members	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
3	Ball sales (50)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Ball sales (100)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Ball sales (200)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
4	Group coaching	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
5	Individual coaching	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
6	Vending	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Total Income	114126	124825	143450	147075	150752

Table 4.6 Estimated expenditure

No.	Golf Development Centre	Year 1	Year 2	Year 3	Year 4	Year 5
	Expenditure					
1	Management Fee	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2	Management oncosts @25%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
3	Ground staff salary	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
4	Group coaching	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
5	Individual coaching	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
6	Insurance	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
7	Lighting	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
8	Heating	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
9	IT/Phone	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
10	Consumables	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
11	Replacement range balls				[redacted]	[redacted]
12	Vending	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
13	Uniform	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
14	Repairs and maintenance	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
15	Ground maintenance					
16	Marketing	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
17	Sinking Fund (TBA)					
	Total Expenditure	107210	111811	120692	143722	127065

Table 4.7: Golf Development Centre Trading Account

Trading Account	Year 1	Year 2	Year 3	Year 4	Year 5
Income	114126	124825	143450	147075	150752
Expenditure	107210	111811	120692	143722	127065
Balance	**6916**	**13014**	**22758**	**3353**	**23687**

The trading account shows a small surplus in year 1 which starts to grow in Year 2 as the business and reputation of the centre becomes established. In Year 3 the Centre should be able to make sufficient profit to enable reinvestment in ball stock. Thereafter, the Centre is regarded as operating at maturity and should be in a position to deliver sufficient surplus to be operationally viable.

Sensitivity testing and robustness of the business plan

Among the key features of any business plan are its ability to withstand change and the degree of risks involved. The following tables briefly examine how robust or sensitive the proposed business model is to variations in income and expenditure.

The model contained in the business plan spreadsheet provides a comprehensive review of the potential impacts arising from varying levels of income and expenditure. A series of options are explored varying one, other or both of income and expenditure. This examination is also rolled out over a projected five years from a baseline/opening year.

Table 4.8 illustrates the effect of increases or reductions of income relative to a fixed cost base for Year 1. A realistically conservative assessment of costs and income is produced by reflecting reduced costs and income figures in Years 1 and 2 and reaching an anticipated annual 'norm' in Year 3. A picture that reflects what might be expected once the business is 'up and running' is more accurately reflected by Year 3 data (see below).

As shown with fixed costs and a 7.5% decline in income the effect will be to generate a deficit of -£1,643; alternately a 7.5% increase in income would produce a surplus of £15,475.

Table 4.8: Sensitivity test – Year 1

	Variable Income	Fixed Expenditure	Net surplus or deficit	
107.5%	£122,685	£107,210	£15,475	14.4%
105.0%	£119,832	£107,210	£12,622	11.8%
102.5%	£116,979	£107,210	£9,769	9.1%
100.0%	**£114,126**	**£107,210**	**£6,916**	**6.5%**
97.5%	£111,273	£107,210	£4,063	3.8%
95.0%	£108,420	£107,210	£1,210	1.1%
92.5%	£105,567	£107,210	-£1,643	-1.5%

As mentioned above, income will stabilise once the business is fully established and marketing campaigns in the first two years have attracted a higher customer base. As such Year 3 figures are no longer 'depressed' and reflect full income and expenditure rates that should, it is believed be both achievable and manageable. The effect of the increased income is such that the net surplus (at 100%) increases from £6,916 to £22,758 (see table 4.7). Subsequent years currently presume increases of 2.5% in both costs and income.

Table 4.9: Sensitivity test – Year 3

Forecast performance Year 3

	Variable Income	Fixed Expenditure	Net surplus or deficit	
107.5%	£154,209	£120,692	£33,517	27.8%
105.0%	£150,623	£120,692	£29,931	24.8%
102.5%	£147,036	£120,692	£26,344	21.8%
100.0%	**£143,450**	**£120,692**	**£22,758**	**18.9%**
97.5%	£139,864	£120,692	£18,172	15.9%
95.0%	£136,278	£120,692	£15,586	12.9%
92.5%	£132,691	£120,692	£11,999	9.9%

In reality, however, shifts that take place are likely to be in both income and expenditure. The accompanying spreadsheet / detailed business plan therefore examines the likely effects of variations in both (income and expenditure). The overall picture is that if expenditure is controlled relative to income then the modelled deficits or surpluses will be close to the levels already forecast. However, if variation takes place in an uncontrolled fashion the ‘gap’ can rapidly change as it has a cumulative effect. Conversely a successfully managed business plan with cost savings of 10% set alongside increased income of 10% would result in a much better position.

PART 5: SUMMARY AND CONCLUSIONS

In summary, consultation and research suggests the following, in response to the key questions posed by the AGT:

The likely usage of the facility

Based upon the population analysis, drive time catchment area and percentage of the local population known to participate in golf it is estimated that a new golf development centre could, with good marketing and significant investment in development courses attract the following numbers of users.

User Group	Year 1	Year 2	Year 3
Pay and play	7000	8250	9500
1-1 lessons	1000	1250	1500
Development groups and performance squads (No of sessions per annum.)	17	24	31
Holiday camps	4	4	6

The figures in this table are slightly higher than estimates within the financial projections identified above (Section 4). Financial projections are more conservatively estimated to ensure increased financial viability.

A suitable management model

The existing management infrastructure at Belleisle facilitated by the co-location of the new clubhouse at Belleisle and Seafield golf courses and the management opportunities that the on-site Professional and his team provide have been assessed.

Evidence supports management of the facilities through the third party operator which facilitates operational knowledge, access to staffing resources and qualified golf coaches. It also provides a base for all administration and the safe handling of cash with a recognised audit trail.

The financial performance of the facility

Based on the projected levels of use, it is estimated that the golf development centre will operate at a modest surplus after Year 3 allowing reinvestment in ball stock.

The projections will challenge the operator of the golf development centre; however, there is capacity to exceed these projections and make a greater return. This has the potential to create a long tern sinking fund and ensure the sustainability of the facilities in the future.

Potential income streams including external funding through grants and other initiatives

This development is eligible for grant aid from SS. They can grant aid up to 50% of the development costs. AGT (the applicant) must be able to fund up to 25% of the costs of the project.

Development support can also be anticipated through the R&A development fund. The level of support will need further discussion once a detailed plan is agreed and more detailed costs confirmed.

Business plan projections have included a modest degree of sponsorship. It is a difficult economic market but the golf range building is a fixed asset upon which it may be possible to sell advertising space. The Trust is well liked and supported locally and is likely to have good links with the local business community.

A national golf equipment sponsor is unlikely in the short term as many manufacturers are already involved in club fit facilities with agreements made at a regional level. For example the Taylor Made fitting centre at Trump Turnberry. This degree of involvement from a main sponsor may be possible as the centre matures.

The potential uptake of season ticket sales for SAC golf facilities

In the short to medium term 3 – 5 years, it is considered that the golf development centre is unlikely to impact significantly on season ticket sales for SAC facilities. Although there may be some extra ticket sales from people who are relatively new to the sport and are looking to fast track their development. It will also be a valuable practice facility for current season ticket holders. As is the current situation this will be influenced by the many other factors that influence an individual's choice of leisure pursuit and where they seek to pursue that activity.

Longer term, as young golfers grow up and the popularity of golf as an activity returns the impact on SAC season ticket sales should be positive.

Recommended next steps

It is recommended that, prior to committing further resources, AGT ensures planning consent is not necessary for such a structure in the proposed new location. Further discussions with SAC will be required to establish the security of tenure, which is a requirement of applying for capital funding to SS.

Preliminary discussions should also be held with **SS** and the Stage 1 grant application be prepared for submission.

Negotiations to deliver a Third Party management agreement between the proposed operator and the Trust should also begin.

APPENDIX 1 - PROJECT CONSULTEES

Name	Job Title	Organisation
Brian Connolly	Trustee Councillor	Ayrshire Golf Trust South Ayrshire Council
Tom Foster	Trustee	Ayrshire Golf Trust
Kevin McKewon	Trustee	Ayrshire Golf Trust
Ann Lang	Clubgolf Regional Manager	Scottish Golf Union
Jackie Davidson	Director of Development	R & A
Colin Bell	Golf Development Centres Project Manager	Scottish Golf Union
Richard Hall	Director of Operations and Head Golf Professional	Trump Turnberry
Graham Finnie	Development Manager	Sport Scotland
Richard Gordon	Golf Professional	Belleisle & Seafield Golf Courses
Alistair Malcolm	Former President	Ayrshire Golf Association
Jamie Darling	Golf Project Manager	Ayrshire Golf Scotland
Martin Ebert	Golf Architect	Mckenzie - Ebert
John Walker	Chairman	Maclaurin Trust and Arts in Rozelle

Appendix 2: SENSITIVITY ANALYSIS

Forecast performance Year 1

	Fixed Income	Variable Expenditure	Net surplus or deficit	
107.5%	£114,126	£115,251	-£1,125	-1.0%
105.0%	£114,126	£112,571	£1,556	1.5%
102.5%	£114,126	£109,890	£4,236	4.0%
100.0%	**£114,126**	**£107,210**	**£6,916**	**6.5%**
97.5%	£114,126	£104,530	£9,596	9.0%
95.0%	£114,126	£101,850	£12,277	11.5%
92.5%	£114,126	£99,169	£14,957	14.0%

Forecast performance Year 2

107.5%	£124,825	£120,197	£4,628	4.1%
105.0%	£124,825	£117,402	£7,423	6.6%
102.5%	£124,825	£114,606	£10,219	9.1%
100.0%	**£124,825**	**£111,811**	**£13,014**	**11.6%**
97.5%	£124,825	£109,016	£15,809	14.1%
95.0%	£124,825	£106,220	£18,605	16.6%
92.5%	£124,825	£103,425	£21,400	19.1%

Forecast performance Year 3

107.5%	£143,450	£129,744	£13,706	11.4%
105.0%	£143,450	£126,727	£16,723	13.9%
102.5%	£143,450	£123,709	£19,741	16.4%
100.0%	**£143,450**	**£120,692**	**£22,758**	**18.9%**
97.5%	£143,450	£117,675	£25,775	21.4%
95.0%	£143,450	£114,657	£28,793	23.9%
92.5%	£143,450	£111,640	£31,810	26.4%

Forecast performance Year 4

107.5%	£147,075	£154,501	-£7,426	-5.2%
105.0%	£147,075	£150,908	-£3,833	-2.7%
102.5%	£147,075	£147,315	-£240	-0.2%
100.0%	**£147,075**	**£143,722**	**£3,353**	**2.3%**
97.5%	£147,075	£140,129	£6,946	4.8%
95.0%	£147,075	£136,536	£10,539	7.3%
92.5%	£147,075	£132,943	£14,132	9.8%

Forecast performance Year 5

107.5%	£150,752	£136,595	£14,157	11.1%
105.0%	£150,752	£133,418	£17,334	13.6%
102.5%	£150,752	£130,242	£20,510	16.1%
100.0%	**£150,752**	**£127,065**	**£23,687**	**18.6%**
97.5%	£150,752	£123,888	£26,864	21.1%
95.0%	£150,752	£120,712	£30,040	23.6%
92.5%	£150,752	£117,535	£33,217	26.1%

Variable in both directions	
+10% income	£157,795
-10% costs	-£108,623
	£49,172
-10% income	£129,105
+10% costs	-£132,761
	-£3,656