

29th February 2024

Agenda Item No.

Fife Golf Trust – Annual Performance Report

Report by: Paul Vaughan, Head of Communities and Neighbourhoods

Wards Affected: All Wards

Purpose

The purpose of this report is to review the performance of Fife Golf Trust (FGT) in its operation from 1st April 2022 to 31st March 2023 and to give foresight of key future plans and challenges.

Recommendation

Members are asked to note and comment on the continued development and performance of Fife Golf Trust.

Resource Implications

There are no specific resource implications.

Legal & Risk Implications

There are no legal and risk implications.

Impact Assessment

An equality (EqIA) Impact Assessment is not required as this is a retrospective annual update report on the performance of Fife Golf Trust.

Consultation

Fife Golf Trust's Annual Report was submitted by the auditors on 20th December 2023 and is awaiting approval by the FGT Board.

1.0 Background

1.1 Fife Golf Trust (SC042206) is a registered charity established on 30 March 2011 to manage and operate Fife Council's seven Golf Courses. The seven courses are:

- Auchterderran Golf Course, Cardenden
- Dora Golf Course, Cowdenbeath
- Dunnikier Park Golf Course, Kirkcaldy
- Glenrothes Golf Course, Glenrothes
- Kinghorn Golf Course, Kinghorn
- Lochore Meadows Golf Course, Lochore
- Scoonie Golf Course, Leven

- 1.2 Fife Golf Trust (FGT) took over the operation of the courses on 1st April 2011.
- 1.3 FGT manages and operates the golf courses on behalf of Fife Council, who are their sole shareholder. We are one of the biggest public golf facilities in Scotland with more than 150,000 rounds played every year and we have approximately 2600 season ticket holders, the vast majority of which hold our 7-course 'Rover' ticket which enables unlimited play over all the courses.
- 1.4 As a registered charity, we have a strong focus on our stated charitable objectives to provide as many accessible and affordable opportunities for as many members of the general public in Fife as possible to participate in the sport of golf. We aim to have a positive impact on the lives of people in the communities that we serve and do this by presenting quality golf courses that are maintained with a strong focus on environmental stewardship.
- 1.5 Fife Golf Trust's Stated Charitable Objectives:
 1. To advance public participation in the sport of golf in Fife.
 2. To provide and assist in the provision of recreational activities within Fife, with such facilities/activities being made available to the public with the objective of improving their quality of life.
 3. To provide as many accessible and affordable opportunities for as many members of the general public in Fife as possible to participate in the sport of golf
 4. To provide, establish, operate, and/or support other similar schemes and projects which further this charitable purpose
- 1.6 FGT tests all key plans and actions against these objectives, so that there is not divergence away from them, and so our activity is continuously aligned to helping the Trust achieve its charitable aims.

2.0 Recovering from the pandemic

- 2.1 In the previous year (2021-2022) demand for golf was high nationally and this was no different for FGT. From April 2021 there were few restrictions on the playing of golf with it being a naturally (comparably to other sports/activities) 'covid safe' pursuit. This can be summarised as golf being an individual outdoor sport where sharing of equipment does not happen, and it lends itself to social distancing. During 2021/22, FGT saw an increase in golf revenue of 38.4% and 34.8% vs 2019 (the last pre-covid year). Maintaining this new demand in 2022-2023 and revenue would be challenging and FGT focussed on retention of existing and recruiting new season ticket holders.
- 2.2 FGT budgeted to turn over 1% more in 2022-23 than the previous bumper year, however, golf demand decreased from record highs and FGT fell 5% short of budget but when compared to pre-pandemic years, is still a strong performance golf income was still higher than in 2019/20, the last full year before the impact of the pandemic.

3.0 Achievement and Performance

Golf Development

- 3.1 FGT's strategy in terms of golf development is to work with partners such as golf clubs to deliver programs to their communities. FGT, as part of SLA discussions, seeks to support clubs to deliver participation initiatives and will support with budget.
- 3.2 FGT delivered a program in partnership with the FC Communities Team for a group of 8 'at risk' youth over the summer holidays. 2 of the group decided to go on to receive coaching in the club program that FGT covered the cost for.
- 3.3 Junior membership has risen from 69 to 137 including 8 girls who completed a 'Girls Golf Hub'.
- 3.4 FGT successfully delivered the first 'Golf For Health' (previously named 'Golf on Prescription') program in September 2022 with a second block being planned for spring 2023. This is an R&A, Scottish Golf, NHS Fife, and St Andrews University-backed pilot where GPs 'prescribe' golf as a way of treating certain mental and physical conditions.
- 3.5 Dunnikier Park Community Golf (DPCG) is one such partner organisation that delivers various adult participation initiatives to older and dementia-friendly groups. The organisation received £10K of seed funding in 2021 and in December 2022 received £7.5k of further funding to continue to deliver facilitated participation initiatives. FGT's Business Manager is a Trustee of DPCG to act as a conduit to FGT and to assist the group to further its aims and have a positive impact in the community.
- 3.6 FGT intends to draft a Golf Development Plan for the 2023/24 season that will focus on 3 main target areas:
 1. Women
 2. Juniors (under 18s)
 3. Groups of older adults
- 3.7 FGT hosts numerous charity events giving preferential green fee rates thus facilitating these charities to raise as much funds as possible. FGT also donates free 4 Ball vouchers to recognised charities enabling them to raise funds for their cause. Prior to 2022 these were not tracked. From early 2023 we will record all hosted charity events and donated prizes to form part of an annual report to the Board on charitable activities and golf development.
- 3.8 FGT has committed to implement key actions to ensure equality of women and girl's opportunities within the Trust and take positive action towards equal representation of women and girls playing golf at our venues.
- 3.9 In September 2022, FGT hosted the first 'Fife Golf Trust Community Invitational' at Dunnikier Park Golf Course in partnership with Dunnikier Park Golf Club and Dunnikier Park Community Golf. The inaugural yearly event was a great success raising over £2000 for local good causes. There was activity on both the main course and the 2019 Course (6-hole pitch and putt). The 2019 Course activity engaged local community outreach groups including those from schools and dementia-friendly organisations. The purpose of the event, in addition to raising funds for local causes, was to proactively showcase the Trust, reinforce its alignment to its charitable objectives, and strengthen its community involvement.

Women in Golf Charter

- 3.10 FGT received unanimous Board approval and successfully became a signatory of the R&A Women in Golf Charter. The Charter aims to increase the number of women and girls participating in golf and to make golf more family orientated.

FGT Season Ticket Pricing Policy

- 3.11 To sustain our commitment to continuous golf course improvements, environmental stewardship, and affordability, in March 2023 FGT received Board approval for the following amendments to the pricing structure for Season Tickets:
- To make under 12 years Season Tickets £1
 - To reduce 12-17 years Season Tickets from £45 to £40 (-12%)
 - To increase to the nearest round number the price of all other season tickets by less than inflation 7%
 - To protect all age and income-related concession qualifications
 - To increase the Youth category from 18-24 to 18-29 years of age
 - To disallow member guest 'sign-ons' during courtesy (club competition) times
 - To require initial proof for age-related concessions and yearly proof for income-related concessions to ensure continued entitlement.
 - To offer all Season Ticket holders access to spread payment facilities in their 2023 renewal (including to new customers)

Season Ticket (Membership) Numbers Synopsis 2022/23

- 3.12 FGT season ticket numbers for 2022/23 were:

Adult Rover	1,020 (39%)
Concession Rover	1,115 (43%)
Youth Rover	76 (3%)
Junior Rover	148 (6%)
Single Course 5 day	249 (9%)

Total: 2608

Golf Course Utilisation

- 3.13 FGT courses have varying demands for tee times. This is due to a number of factors namely course popularity/quality, population density in the locale, and time of year/weather conditions. During the winter months Kinghorn as a links course is on average open twice as often as the inland courses due to its natural excellent drainage of sand-based soil, no shade issues of large trees maximising sunlight to melt frost and aid evaporation, and the proximity to the sea meaning it receives salt-rich air and has a higher average temperature.
- 3.14 There are 'pinch points' where demand for times exceeds capacity namely on Saturday and Sunday mornings, which is normally the highest demand for golf and other recreational activities in Scotland. The 7 Course Rover Season Ticket (FGTs main membership product) enables us to naturally disperse this demand where single course 'siloed' memberships would not.
- 3.15 'Courtesy tee times' are given to the partner golf club adjacent to all FGT courses. This is to enable them to play their competitions and is a negotiated benefit for which FGT leverages off-course services for all customers. Prior to 2022/23, clubs were not pressed to fill the times, however we have in 2022/23 implemented a strict 'use it or lose it' policy, where clubs must submit the names of their golfers 48 hours prior to the courtesy times, with available spaces being released to the general public. This has freed up approximately 30% more premium weekend morning tee times. Golfers who are club

members are likely to be retained as season ticket holders of FGT and are less transient in nature. We estimate that approximately 50% of our season ticket holders are members of FGT accent/partner clubs with courtesy tee times being a critical factor.

2022-24 Strategic Plan

3.16 FGTs strategic plan was agreed by the Board in July 2022. The plan segments FGT into the following core areas

- Golf courses
- Environment and sustainability
- Business operations
- Customer experience
- Marketing and communications
- Communities and Golf Development
- Governance and Partnerships

3.17 FGT's objectives are:

- **1) Nature:** Manage a biodiverse environment which will provide valuable habitat with an ecologically sensitive approach. Within planting objectives, we aim to provide better wildlife corridors, hedgerow linking, tactical understory and succession planting with the emphasis on structural diversity.
- **2) Maintenance:** To maintain healthy turf in a sustainable manner through low inputs of water, fertilisers and chemicals with the focus on using cultural management techniques and overseeding to develop a finer, stronger sward composition.
- **3) Resources:** Use our resources to reduce detrimental impact on the environment aiming to achieve carbon net zero.
- **4) Community:** Work with the local community to promote golf and the wider environment. Working closely with schools, care homes and under privileged within our society. Engage with local volunteer groups to provide assistance and generate interest in our valuable contribution to sustainability.

Environmental Sustainability

3.18 The Golf Environmental Organisation (GEO) accreditation is a recognition of environmental stewardship, sustainability, ecology, climate action and community values within the golf industry.

3.19 Fife Golf Trust achieved GEO certification in 2017 and in 2022 achieved recertification which takes us through to 2025. FGT were the first 7 course municipal site in the world to achieve GEO certification which was a recognition of the work carried out to promote and protect our environment with strong sustainable practices.

4.0 Financial Performance

4.1 Total Golfer income from Season Ticket Sales and "Pay as you Play" decreased by 4.3% from £1,033k to £988k which in turn was 5% less than the budgeted figure for the year. Secondary income from sponsorship and various items such as buggy hire also reduced slightly in the year. Overall generated income came in at £1,034,268. Total income from season sales came in at slightly under £740k, which was a 1.6% decrease on £752k in 2022 and 3.6% less than the budgeted figure of £768k. It should be noted that £97k of season revenue for the year has been carried forward to the 2023/24 to cover the period

from 1 April to 28 May 2023. Visitor revenue reduced by 11.7% to £248k. It should also be noted that although these results represent a reduction on the golfing boom that arose post Covid-19 lockdown, the results remain significantly higher than those reported pre Covid, with golfing income for 2022-2023 almost 30% higher than that reported for the 2019-20 year.

- 4.2 Generated income (Golf and Secondary) decreased by 6% to £1,034,268. Total income received increased by 1.9% to £1,738,188 due to an increase in management fee income from Fife Council, which increased from £605,084 to £701,408. Operational expenditure excluding the effect of FRS102 pension costs increased by 5.5% to £1,675,809 - compared to budgeted expenditure of £1,738,000 for the year. Whilst stating we will always seek opportunities to deliver efficiencies in the cost base we expect modest rises going forward and believe this is essential to increase revenue and sustain gains in quality. The results for the year before accounting for pension cost adjustments of £266,000 show an operating surplus of £62,379 for the year. This outcome continues to build on the significant improvement in performance in 2022 and sets a strong platform for FGT to achieve its goals for the future.

5.0 Future Challenges and Plans

Implementation of a New CRM System and Spread Payment Facility

- 5.1 FGT are implementing a new CRM system and Spread Payment Facility. This is replacing three systems. The new system allows for spread payment plans via a standing order and payments can also be done online. The spread payments facility enables better public access to affordable golf, enabling customers to spread payments especially with the current cost of living crisis and other economic challenges.

Partner Club SLAs

- 5.2 FGT must coexist with private clubs that run off-course facilities adjacent to Trust courses. If local clubs are unable to provide appropriate services (welcoming environment for all, food, beverage, organised competitive and social golf, changing and toilet facilities, etc) then the experience of FGT customers is compromised, and by extension so is our value proposition. To mitigate this risk FGT had successful formal meetings with a view to creating an SLA with each partner club. Examples of areas of joint working/agreement are:
1. Courtesy competition and opens - tee time allocation
 2. Joint revenue initiatives eg coffee sales
 3. Golf course maintenance/course setup
 4. Sponsorship sales – existing and potential
 5. Course promotion
 6. Golf development
 7. Facilities access for visitors (pay and play)
 8. Future potential joint working initiatives eg. Additional golf events with joint revenue interest.
- 5.3 All agreement documents are now in place and approved by both parties. They will be formally reviewed annually and as required when the need arises.

Governance Improvements:

- 5.4 FGT has placed a high priority on governance improvements in its strategic plan. Two key governance improvement recommendations made in 2022 were to 1) Develop a Skills Matrix for Board members and 2) develop a comprehensive risk register that is a standing agenda item on our quarterly Board meetings. Both were slated for completion in Q2 of 2023.

Future Activities in Communities and Golf Development

- 5.5 Our strategy for golf development and community outreach has always been to work with partners to improve access to golf for local communities. Some key initiatives we have committed to are:

- Phase 2 of 'Golf For Health' formally 'Golf on Prescription'.
- We will continue to work in partnership with Dunnikier Park Community Golf in the delivery of participation activity for various community groups and juniors at the 2019 Course and Kinghorn for junior coaching activity.
- We have committed to the delivery of 3 junior events at Lochore, Kinghorn and Dunnikier in partnership with the Stephen Gallagher Foundation and Fife Golf Association.
- We have supported Scoonie GC to launch a new junior coaching initiative with 15 children currently in the Scottish Golf 'Learn To Golf' program.
- We have committed to host 14 charity events across FGT courses.
- We have donated 20 4Ball vouchers to date for charitable fundraising and will continue this in 2023/24.
- We are delivering again the Fife Golf Trust Community Golf Day in partnership with Fife Golf and Dunnikier Park Community Golf and Golf Club on Friday 8th September 2023. We will deliver activity on both the main and 2019 courses with joint prizegiving afterward with all proceeds going to local good causes.
- Activating R&A golf. Golf and other development activity has been challenging due to clubs not having the desire to host or a committed volunteer workforce (2 key components). We plan to make available £500 per club to enable golf development activity within set criteria that help us meet our charitable objectives.

Emerging Key Project – Glenrothes Greenkeeping Facility

- 5.6 Glenrothes Greenkeepers facility is currently a rented property within Whitehill Ind Est and work is ongoing to develop suitable new accommodation to allow for machinery storage and repair.

Nature Restoration Fund

- 5.7 We are currently in the process of preparing a bid for funding through Nature Scotland to help elevate our environmental efforts. The fund is available for projects such as tree planting, habitat creation, meadow management, wildflower generation, promoting insects and pollinators amongst other important contributions. We have achieved our GEO certified status with little or no funding, so with financial assistance we hope to take it to the next level and have a very positive impact on the natural habitats which we maintain.

6.0 Conclusion

- 6.1 FGT is performing well with a positive financial performance compared to previous years. This can be put down to the strong demand for golf in Scotland and the aforementioned business and governance improvements of the Trust.

- 6.2 Trading conditions are still challenging, with competition from other providers, the cost of living crisis putting pressure on non-critical personal expenditure, and the surging cost of course maintenance consumables and machinery.
- 6.3 FGT will continue to focus on delivering its charitable objectives and implementation of its annually updated business plan.

List of Appendices

- 1. Appendix 1 Fife Golf Trust Golf Course Utilisation Statistics

Report Contacts

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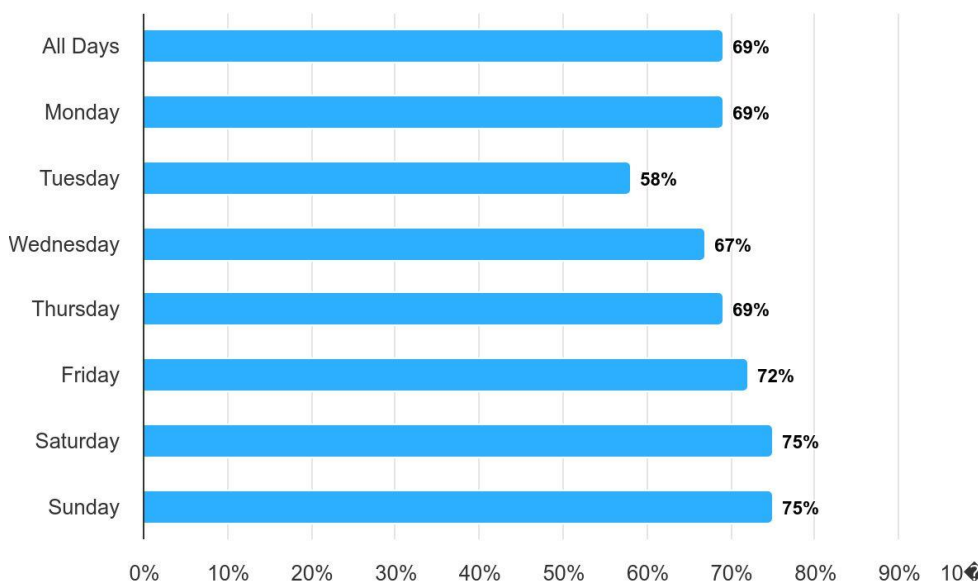
Fife Golf Trust Course Utilization Statistics for reported year and corresponding playing season.

Note:

These figures do not account for course closures (prevalent in winter) and for unrecorded golf (eg golfers playing out with opening hours, not prebooking or not being recorded by the Pro / Starter).

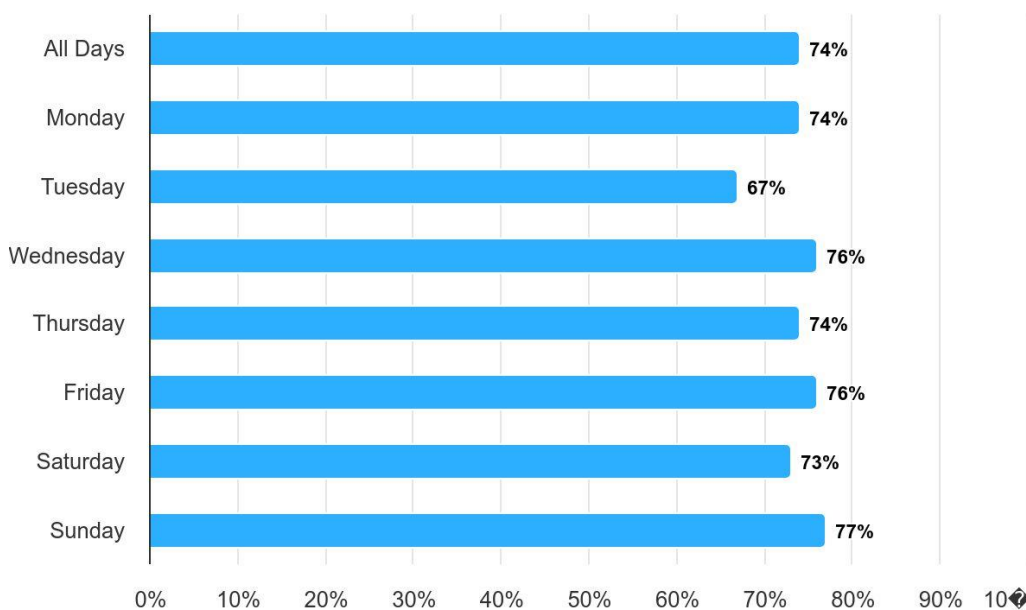
Dunnikier Park Golf Course Tee Utilization for year 1st April 2022 – 31st March 2023

Tee Time Usage by Day of Week



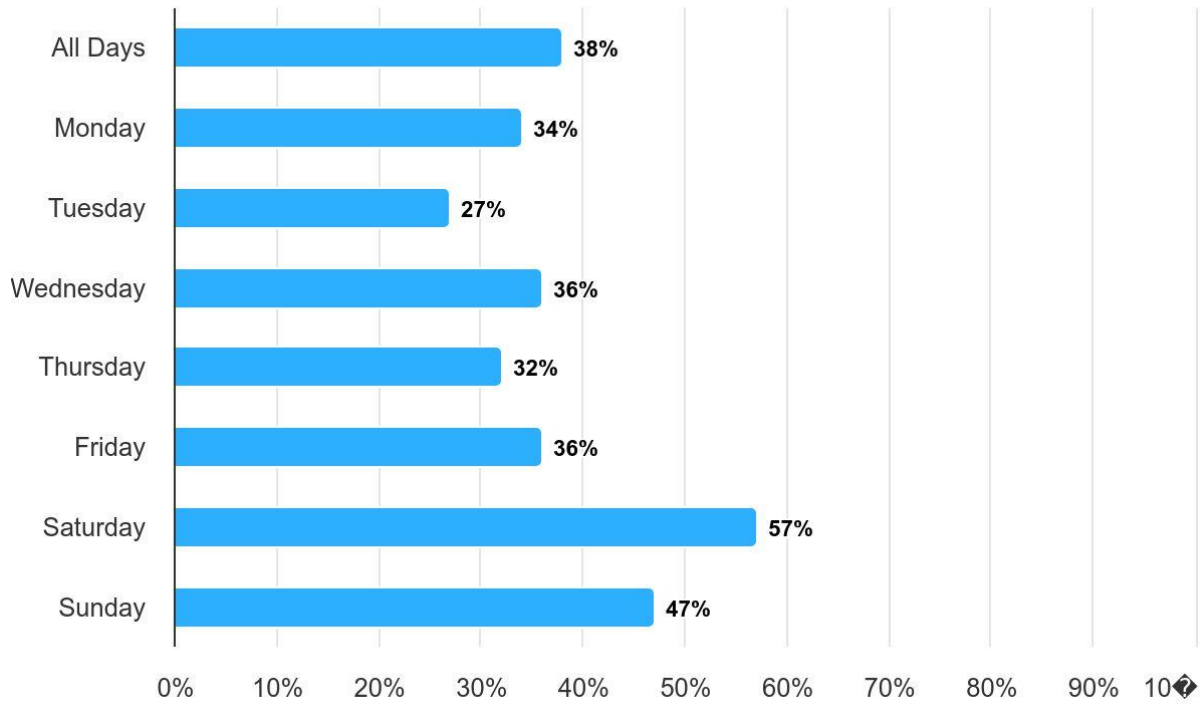
Dunnikier Park Golf Course Tee Utilization for playing season 1st May 2022 – 30th September 2022

Tee Time Usage by Day of Week



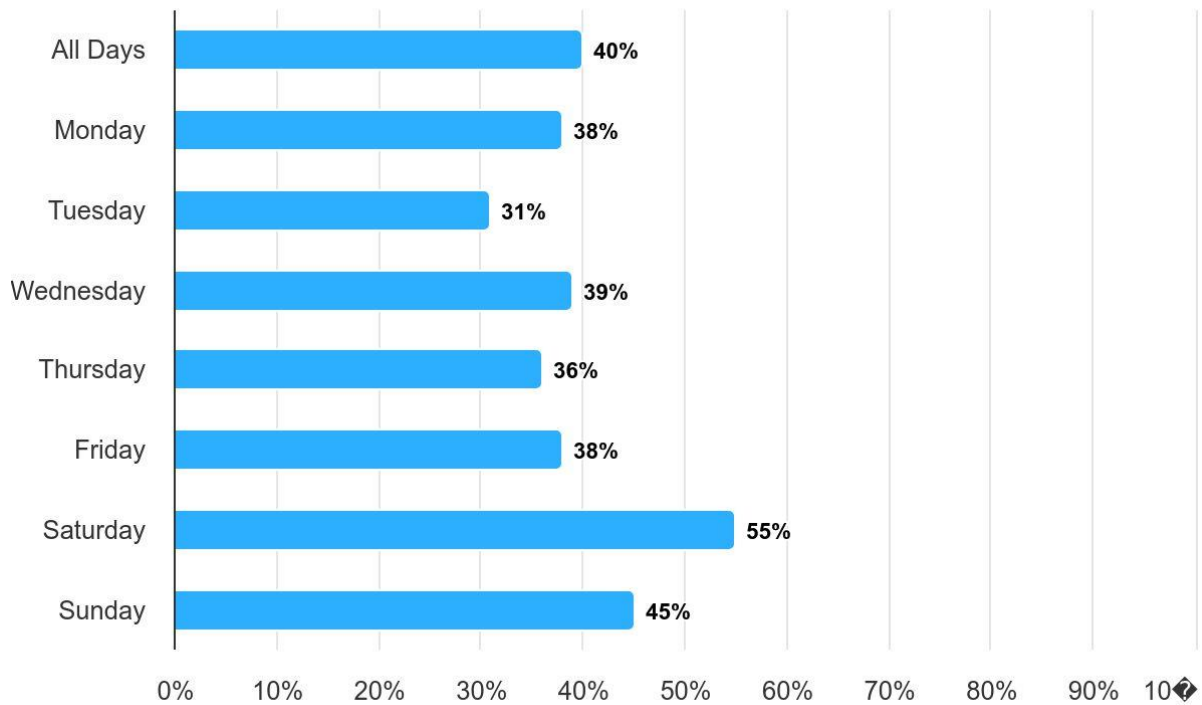
Kinghorn Golf Course Tee Utilization for year 1st April 2022 – 31st March 2023

Tee Time Usage by Day of Week



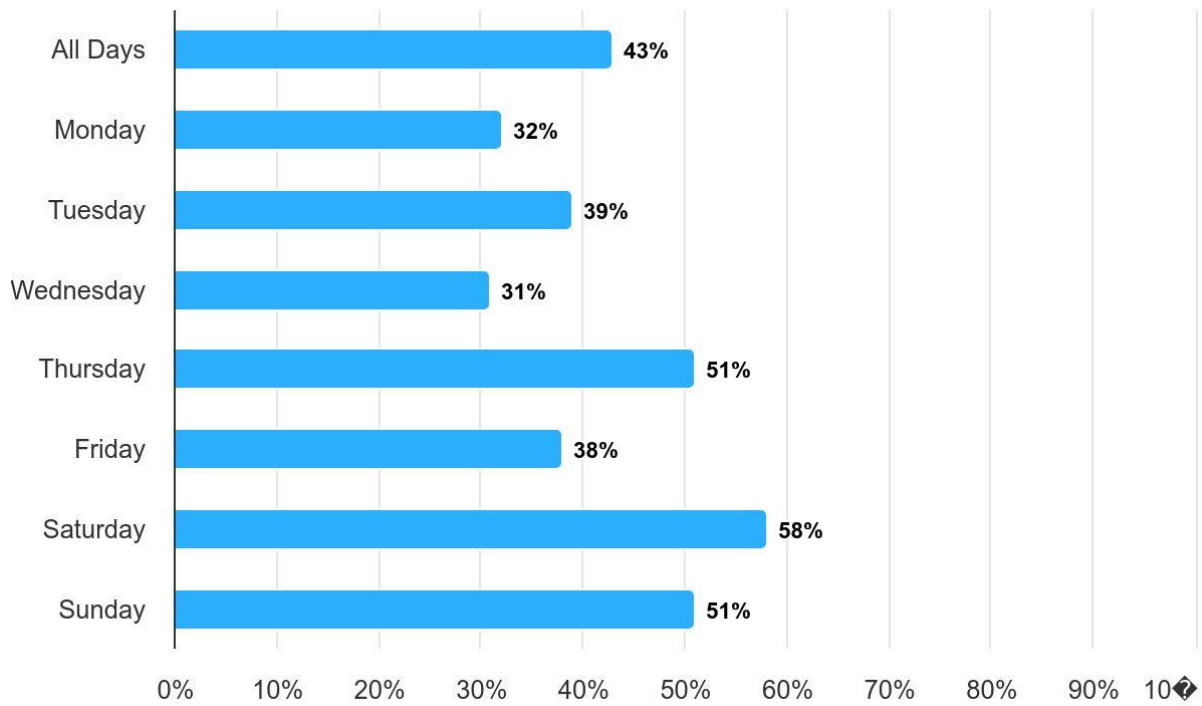
Kinghorn Golf Course Tee Utilization for playing season 1st May 2022 – 30th September 2022

Tee Time Usage by Day of Week



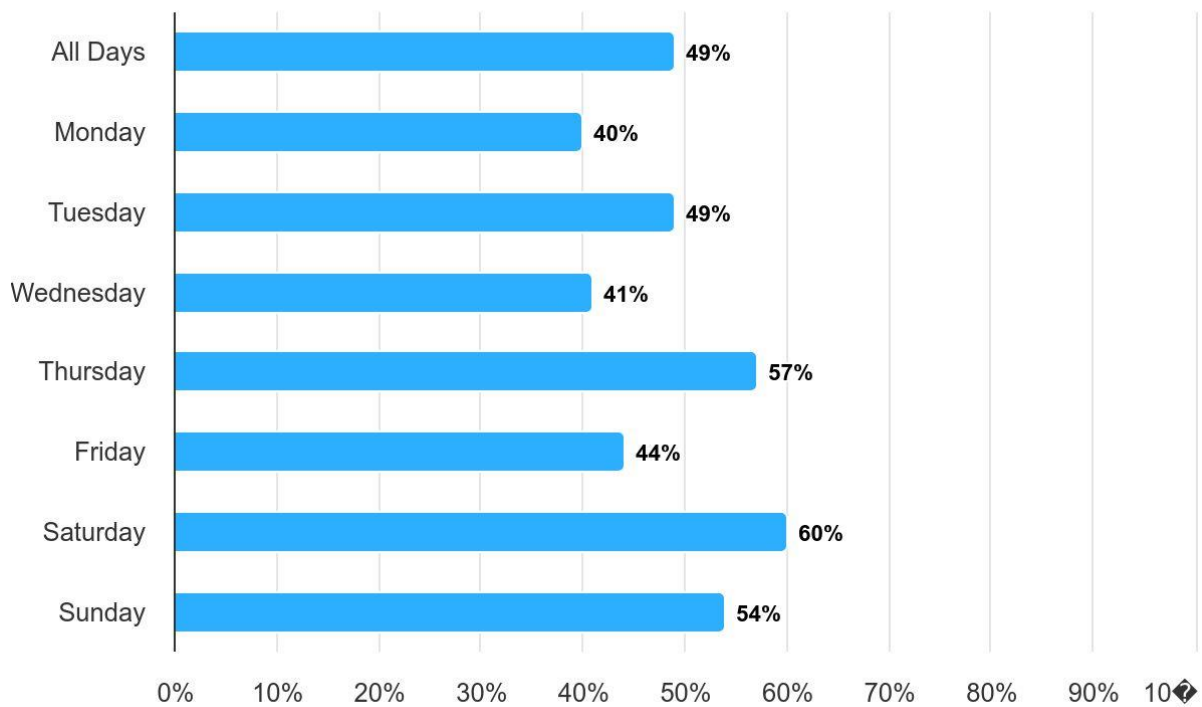
Glenrothes Golf Course Tee Utilization for year 1st April 2022 – 31st March 2023

Tee Time Usage by Day of Week



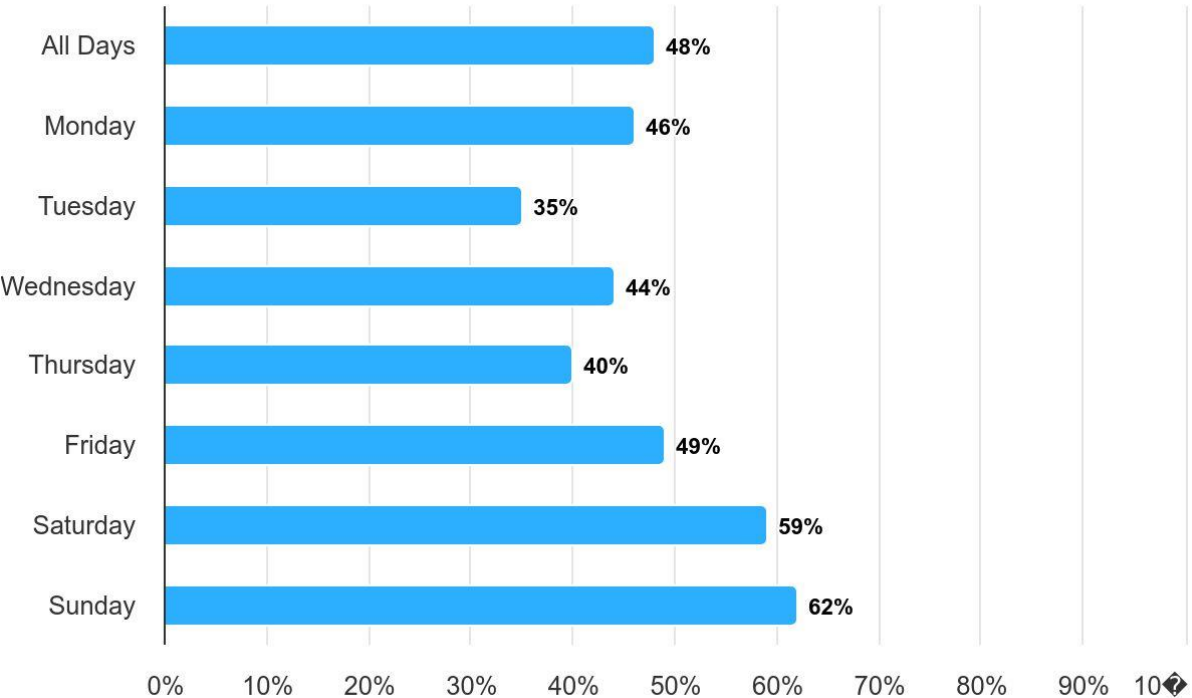
Glenrothes Golf Course Tee Utilization for playing season 1st May 2022 – 30th September 2022

Tee Time Usage by Day of Week



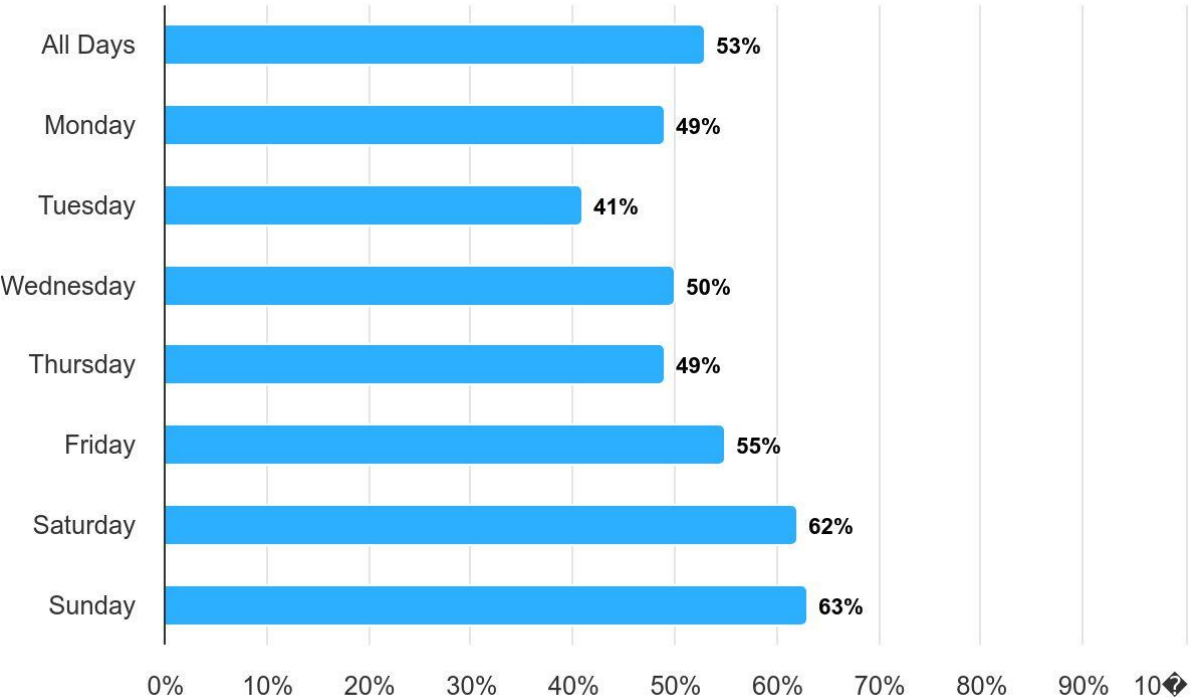
Cowdenbeath Golf Couse Tee Utilization for year 1st April 2022 – 31st March 2023

Tee Time Usage by Day of Week



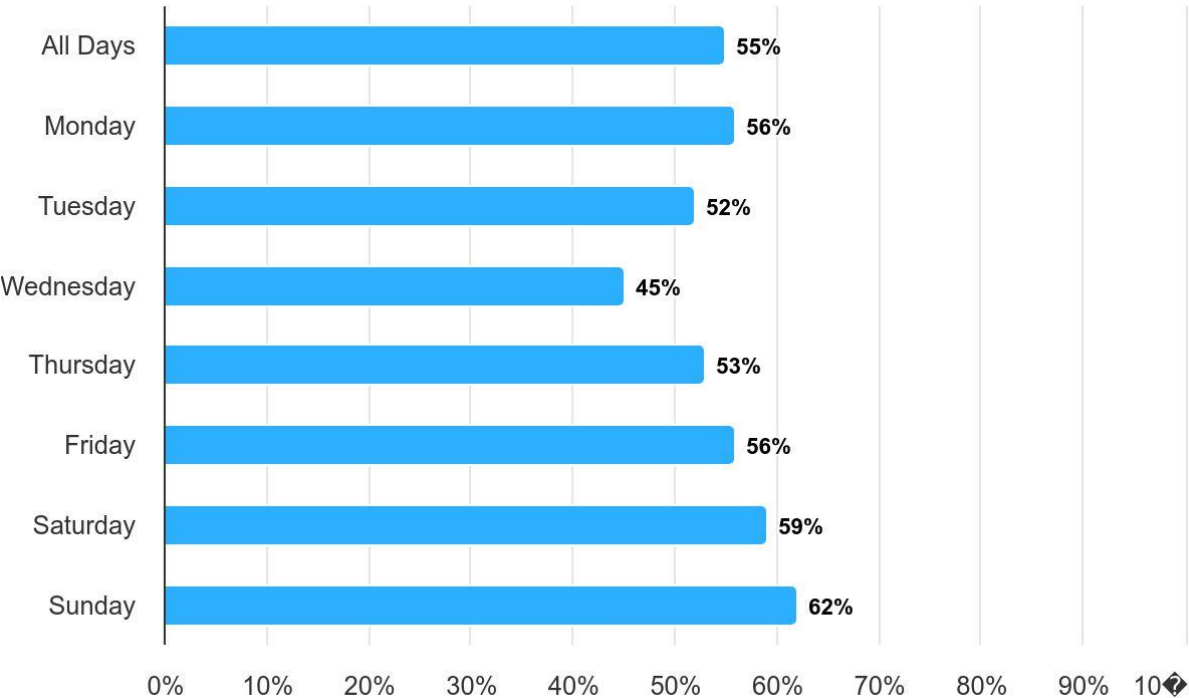
Cowdenbeath Golf Couse Tee Utilization for playing season 1st May 2022 – 30th September 2022

Tee Time Usage by Day of Week



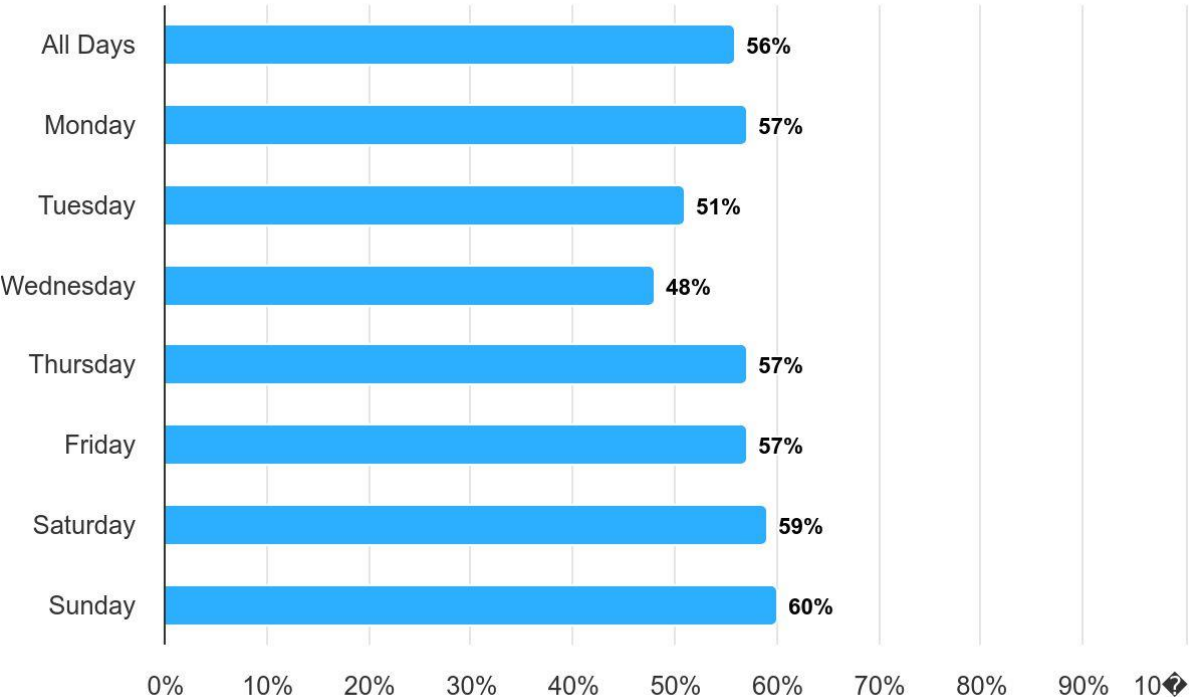
Scoonie Golf Couse Tee Utilization for year 1st April 2022 – 31st March 2023

Tee Time Usage by Day of Week



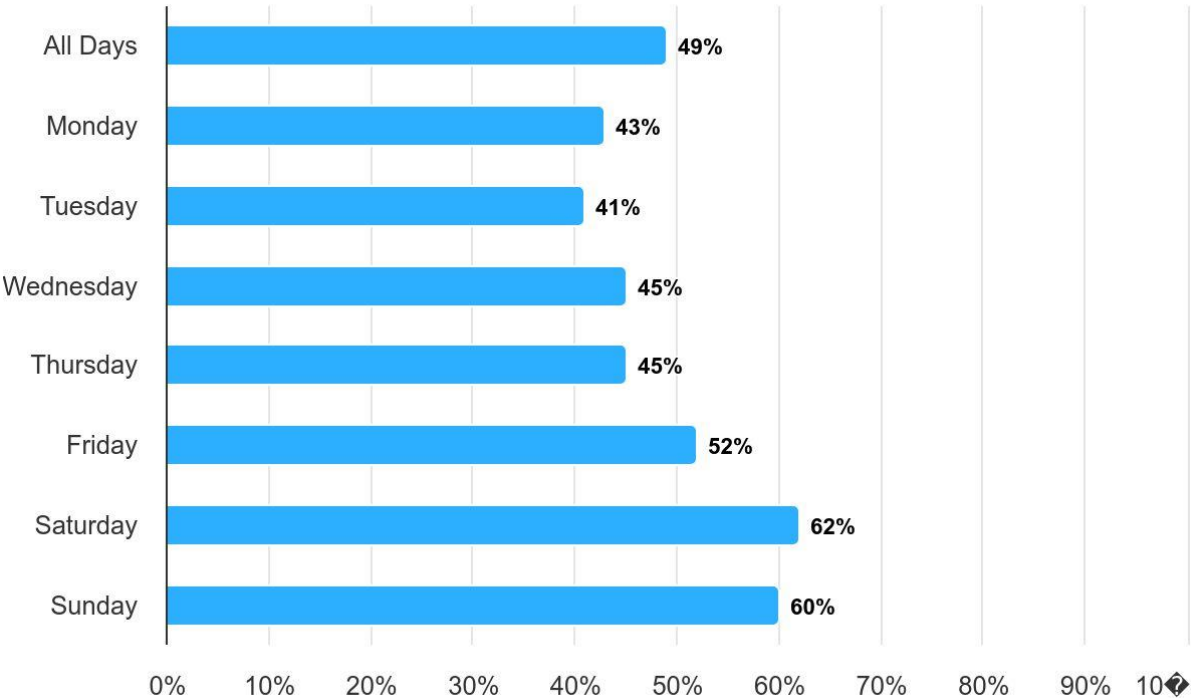
Scoonie Golf Couse Tee Utilization for playing season 1st May 2022 – 30th September 2022

Tee Time Usage by Day of Week



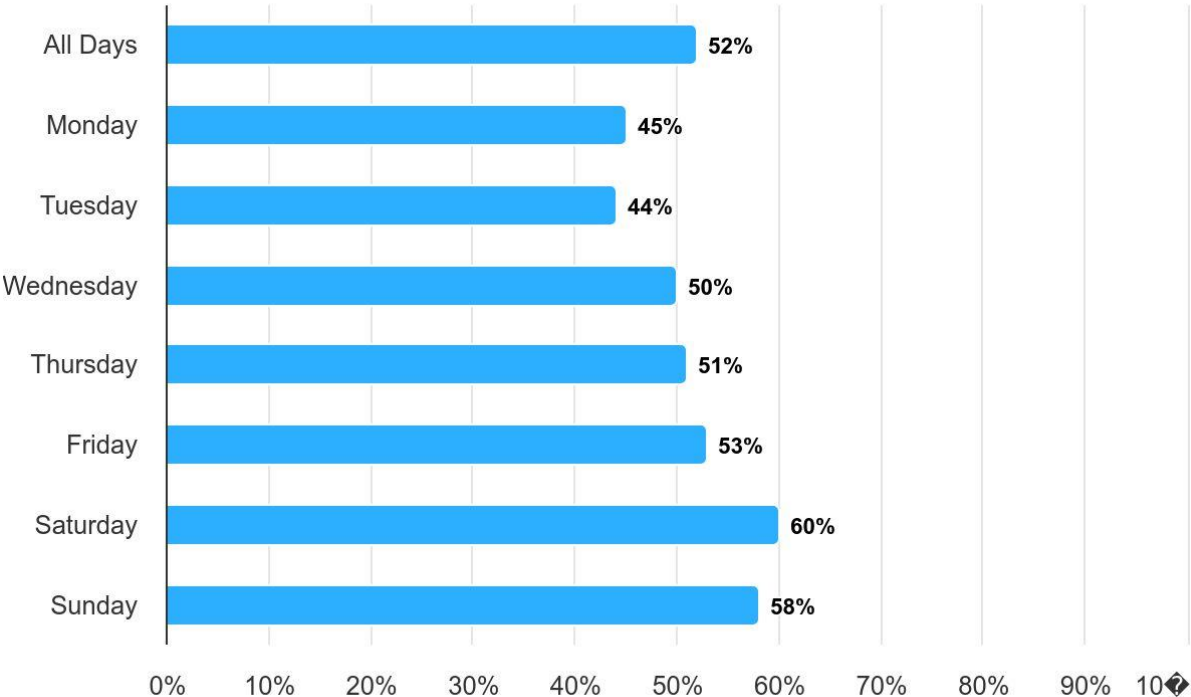
Lochore Meadows Golf Course Tee Utilization for year 1st April 2022 – 31st March 2023

Tee Time Usage by Day of Week



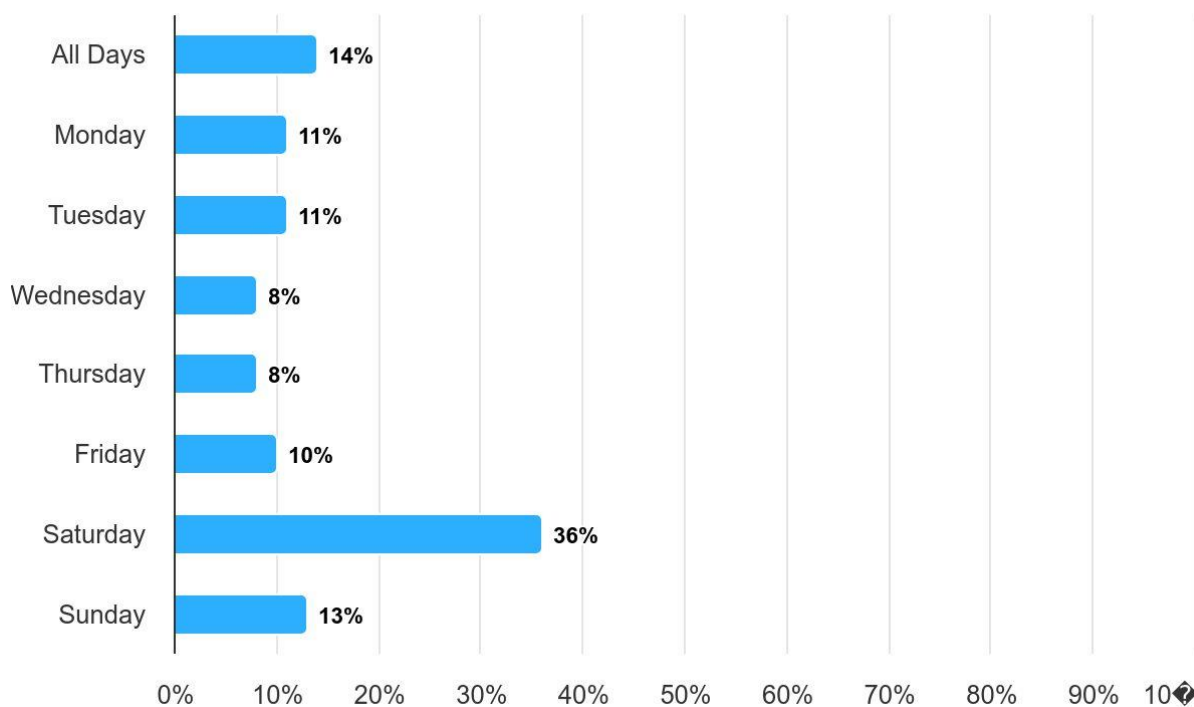
Lochore Meadows Golf Course Tee Utilization for playing season 1st May – 30th September 2022

Tee Time Usage by Day of Week



Auchterderran Golf Course Tee Utilization for year 1st April 2022 – 31st March 2023

Tee Time Usage by Day of Week



Auchterderran Golf Course Tee Utilization for playing season 1st May 2022 – 30th September 2022

Tee Time Usage by Day of Week

