

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

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PROPOSED CHANGES AT CARNOUSTIE GOLF LINKS

Angus Council is seeking views on proposed changes at Carnoustie Golf Links. These changes affect who will manage and operate the golf courses at Carnoustie. Access for local golfers will be protected.

Angus Council owns the land and golf courses at Carnoustie Golf Links but since 1980 Carnoustie Golf Links Management Committee, and then on incorporation in 2011 CGLMC Ltd., (CGLMC) has managed and operated the golf courses on behalf of the Council under a number of Management Agreements. During that period CGLMC has evolved into a charitable company, limited by guarantee. The current Management Agreement is due to come to an end in March 2033.

CGLMC has developed a proposal intended to preserve access for local golfers for the long term while also maintaining Carnoustie's status as a venue for major competitions such as The Open Championship. As a first step (Phase 1) towards delivering their vision CGLMC is proposing to commission a separate operating company (owned by private investors) to undertake the day-to-day management of Carnoustie Golf Links on its behalf for the remaining period of the Management Agreement. This separate company already owns and runs the Carnoustie Golf Hotel. CGLMC's proposal will therefore allow the golf courses and golf hotel to be managed and operated together by one entity.

The operating company (as CGLMC's investment partner) has plans for significant investment in golf and hotel facilities in Carnoustie which would be delivered as part of a long-term vision to develop the hotel and the course in order to attract major golf events (such as The Open Championship) to Carnoustie.

The CGLMC/Investment partner Vision is to *"build a world-leading tourism destination at Carnoustie to match the quality of the golf courses, which will include upgrade to the Golf hotel and spa and securing the return of The Open Championship on a multi-year agreement generating long-term, sustainable and economic benefits for the local community"*.

Those long term investment plans (Phase 2) would be subject to a separate public consultation once they are fully developed.

The purpose of this consultation is to explain what is being proposed by CGLMC and to gather public views on this via a survey. The results of the consultation will be used to inform decisions to be made by Angus Councillors on whether to agree to what CGLMC are proposing.

Insert Link to Survey (Draft Survey is at the end of this document)

Public Notice

A Public Notice advertising the proposals will be displayed in the local area. You can also view the notice on Tell Me Scotland ([link to be inserted once live](#)).

Closing Date

The closing date for completing the survey is Wednesday 18 September 2024.

Supporting Documents

The following supporting documents are provided ([each will have separate links on the landing page](#)): -

1. Background to the Proposals
2. Detail of What is Being Proposed – Governance, Golf Provision, General Issues, Golf Access Rights
3. CGLMC/Investors' Vision for Carnoustie
4. Frequently Asked Questions
5. Next Steps

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

Useful Links

Previous Council Reports on the Future of Carnoustie Golf Links (public reports only):-

- Angus Council – 20 January 2022 - [Report 8/22](#)
- Angus Council - 30 June 2022 - [Report 183/22](#)
- Angus Council - 3 November 2022 - [Report 365/22](#)
- Angus Council – 23 December 2022 - [Report 428/22](#)
- Angus Council – 22 June 2023 - [Report 194/23](#)
- Angus Council - 24 August 2023 - [Report 235/23](#)

CGLMC Website - <https://www.carnoustiegolflinks.com/about-us/cglmc-ltd/>

CGLMC Charitable Objectives - <https://www.carnoustiegolflinks.com/about-us/charity/>

Economic Benefit from The Open - <https://www.theopen.com/latest/economic-benefit-151st-open-royal-liverpool>

Timeline

1. Consultation Opens – by 5pm, Thursday 8 August 2024
2. Public Drop-in Session 1 – date, time and venue will be confirmed when consultation goes live
3. Public Drop-in Session 2 – date, time and venue will be confirmed when consultation goes live
4. Consultation Closes – 10pm Wednesday 18 September 2024

Supporting Document No. 1 - Background to the Proposals

1. Background

Angus Council is seeking views on proposed changes at Carnoustie Golf Links. These proposals affect who will manage and operate the golf courses at Carnoustie but access for local golfers will be protected. The changes are intended to deliver improved experiences for golf, leisure and hospitality users under a more sustainable business model and represent an initial but important step towards securing Carnoustie's long term future as an Open Championship venue.

Angus Council owns the land and golf courses at Carnoustie Golf Links but since 1980 Carnoustie Golf Links Management Committee, and then on incorporation in 2011 CGLMC Ltd (CGLMC), has managed and operated the golf courses on behalf of the Council under a number of Management Agreements. During that period CGLMC has evolved into a charitable company, limited by guarantee. The current Management Agreement is due to come to an end in March 2033.

The Council also owns the land on which the Carnoustie Golf Hotel is built but has leased this to a private company which manages the hotel.

It is a priority for the Council to ensure that Carnoustie remains a venue suitable to host major events such as The Open Championship. However, achieving this requires financial investment in both golf and hotel provision which neither the Council nor CGLMC can influence and provide.

CGLMC has been working for some time with external investors to develop a long-term investment plan for golf and hotel provision at Carnoustie Links. The Council, following consideration of a number of options, has been discussing these proposals with CGLMC and their investors for approximately two years. A significant initial step was taken in August 2023 when CGLMC's investment partners acquired the existing Carnoustie Golf Hotel. This was done at risk by those investors in the absence of any agreements in relation to the operation of the golf courses which are a crucial part of the Hotel's business.

The proposals from CGLMC and their investment partners have developed over the last two years to a point where they now require input from the public and other stakeholders through a public consultation. Angus Council will have regard to all representations made in the consultation process in future decision-making.

2. Summary

CGLMC are proposing to commission a separate company (owned by their external investment partners) called **Carnoustie Golf Heritage and Hospitality Group Limited (CGHH)** to undertake the day to day management of Carnoustie Golf Links on their behalf. CGHH is the holding company which owns **Carnoustie Golf Links Properties Ltd (CGLPL)**, the company which owns the Carnoustie Golf Hotel. The proposed new arrangements will allow the management and administration of the golf courses and golf hotel to be brought together and operated as if they are a single business by CGLMC's investment partners.

The investors are developing a long-term investment plan for Carnoustie and have a clear vision for what they want to achieve ([link to Supporting Document 3 – CGLMC/Investors' Vision to add in live version](#)). Having already acquired the Golf Hotel they now propose that their long term investment plan be delivered in two phases as follows: -

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

Phase 1 – CGLMC commissions the investor's company (CGHH) to manage and operate the golf courses on its behalf in the short-term (until no later than 2033), while further development continues on the full long-term investment plan. It is this phase (Phase 1) which is now being consulted on.

Phase 2 – the investor's company (CGHH) develops its long term investment plan on a basis which ensures that Carnoustie remains a venue which is asked by partners such as the R&A to host major events like the Open Championship. Once the investment plan is ready to be implemented CGHH would enter into a new long term agreement (perhaps aligned to the life of the lease of the Golf Hotel) with CGLMC and Angus Council for the management and operation of the golf courses. Angus Council will continue to own the land and golf courses under any such long term agreement.

As part of the Phase 1 proposals, all of CGLMC's current staff group would transfer to CGHH and all of CGLMC's assets (except trophies) would be sold to that company. However, ownership of the golf courses and all related land would remain with Angus Council. CGLMC would still be responsible to the Council for meeting its obligations under the Management Agreement until 2033. CGLMC would continue as a charity and use the proceeds from the transfer of its assets to CGHH to pursue its charitable objectives.

The Council is consulting only on the Phase 1 proposals (covering the period to March 2033) at this time. The Phase 2 (long term) proposals will be the subject of a separate public consultation process before any further changes to the operation of Carnoustie Golf Links are considered by the Council.

3. Overview of the Current Ownership and Management Arrangements

Current arrangements for golf and hotel provision at Carnoustie Links are as follows: -

- Ownership of Carnoustie Links land and golf courses – Angus Council
- Ownership of land on which the Carnoustie Golf Hotel is built – Angus Council. This land is leased to Carnoustie Golf Links Properties Ltd (CGLPL) a subsidiary of CGHH until 2123
- Operation and Management of Carnoustie Links Golf Courses – CGLMC on behalf of Angus Council – governed by a Management Agreement which expires in 2033
- Operation and Management of Carnoustie Golf Hotel – Bespoke Hotels on behalf of CGLPL
- Ownership of Carnoustie Golf Links Properties Ltd (CGLPL) – Carnoustie Golf Heritage and Hospitality Group Limited (CGHH). CGLMC propose to commission CGHH to manage and operate the golf courses on their behalf.

4. Carnoustie Golf Links Management Committee Limited (CGLMC)

Carnoustie Golf Links Management Committee now known as CGLMC Ltd (CGLMC) manages the golf courses at Carnoustie on behalf of Angus Council. This covers all aspects of day-to-day management and administration as well as longer term investment in the courses. CGLMC also manage access for Season Ticket Holders (STHs) and visiting golfers and set prices for play which are subject to Angus Council approval.

CGLMC Ltd is a company limited by guarantee and a registered charity, and all surplus revenues are reinvested into maintaining the facilities and pursuing the objectives of the charity. CGLMC also supports local charities and community groups through delivery of its charitable aims.

Further information about CGLMC can be found at the following link: - <https://www.carnoustiegolflinks.com/about-us/>

Further information about CGLMC's charitable purposes can be found at the following link: - <https://www.carnoustiegolflinks.com/about-us/charity/>

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

The proposed changes to current arrangements set out in this consultation have been developed by CGLMC and their investment partners over several years and have been subject to detailed scrutiny and review by the CGLMC Board which includes nominees from local golf clubs and Angus Council.

5. Why are Changes to Current Arrangements Being Considered by Angus Council?

Angus Council, as custodians of Carnoustie Golf Links, has two core objectives for how this public asset is used and managed, which are: -

1. To ensure fair access and pricing for local people wishing to use the golf courses;
2. To ensure Carnoustie remains a venue for major tournaments such as The Open Championship, due to the significant economic benefits that these bring to Carnoustie and Angus.

The Council is also supportive of CGLMC's other charitable objectives including to promote participation in the game of golf.

Maintaining the Carnoustie golf courses to championship standards is very costly and competition from other venues to host major tournaments is fierce, due to the revenue and wider economic benefits they bring in, not only for the event itself but also from visiting golfers wishing to play a championship course.

Data shows that Carnoustie attracts large numbers of visiting golfers each year and visitor numbers rise before and after a major event is held at the course. Visiting golfers pay more to play the courses, subsidising Season Ticket Holders, keeping their costs down.

It follows therefore that if Carnoustie falls below championship standard, there will be, in time, a fall in visitor numbers and a corresponding fall in the income which helps cover the cost of maintaining the courses to the required standard and subsidising local players.

It is therefore crucial that Carnoustie continues to be a host venue for major events such as The Open Championship if the Council is to meet its two objectives as indicated above. The Council considered a number of options for delivering its objectives, but these were undeliverable practically, would not achieve the Council's objectives or were financially unattractive for the Council.

It is important to note that while the golf courses at Carnoustie, especially the Championship Course are maintained to the highest standard, hosting major tournaments requires a complete offer, including not just the golf course, but also hotel accommodation, player and visitor facilities which offer both player and visitor experiences of the highest quality. Unfortunately, Carnoustie is not currently able to offer this complete package at the required standard and significant investment is therefore required, particularly in hotel accommodation. This is well beyond what CGLMC and Angus Council can afford to provide and neither CGLMC nor Angus Council have control over the quality of hotel provision at the current Golf Hotel.

To address this, CGLMC has been seeking external private investors to deliver the level of financial investment now required and has been working with a lead investor, Mr Max Herberstein, for the last five years to create a proposal which is intended to deliver the improvements required. Mr Herberstein is the majority owner of CGHH, the company which operates the golf hotel and which CGLMC propose to commission to operate the golf courses.

Angus Council officers, supported by specialist advisers, have been reviewing and discussing the proposal with CGLMC and CGHH and have undertaken a substantial level of due diligence on what the proposals might mean for local golf provision and the Council's strategic priorities for Carnoustie and the Angus economy. CGHH has recently undertaken an interim refurbishment plan of the Golf Hotel ahead of The Senior Open in July 2024.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

6. Why are There Two Phases to the Proposals?

The scale of improvement work needed to give Carnoustie the best chance to continue as a host venue for major championships is significant and cannot be delivered overnight. Mr Herberstein and his fellow investors, having already acquired the Carnoustie Golf Hotel, are now working on a long term investment plan but this remains in development at this time and will require significant expenditure by them (at risk) to finalise. Planning permissions will be required for the major building works which are expected to be part of the investment plan.

Angus Council wants to have more certainty and detail on the investment plan before it considers entering into a long term agreement with CGLMC and the investors (what is referred to in this consultation as Phase 2). It is for this reason that an arrangement (what is referred to in this consultation as Phase 1) is being proposed between now and the expiry of the current Management Agreement in 2033. Agreement by the Council to what is being proposed in this Phase 1 consultation would therefore only run for a maximum of 8.5 years until 2033. This consultation is only concerned with Phase 1, the shorter-term agreement.

Mr Herberstein's company CGHH (as owner of CGLPL) now holds the lease of the Carnoustie Golf Hotel with Angus Council and is currently operating the hotel separately from the golf courses, as has been the approach since the hotel was built. However, running the hotel and golf courses separately is not a commercially attractive nor sensible way to operate while CGHH develops its long term investment plan.

It is therefore proposed that CGLMC will appoint CGHH to operate and manage the golf courses on CGLMC's behalf so that the same company can run the hotel and golf courses together. This combined approach will be more efficient and enable the best use of the golf courses and hotel as an integrated package which is expected to deliver many synergies and benefits to the overall customer experience. It also creates a more sustainable business overall, while CGLMC and Angus Council retain the necessary controls to safeguard local golf access and price. Without this approach, CGHH has advised that it will not be able to justify commercially the significant further expense required from them to develop their long-term investment plan, putting future development at risk.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

Supporting Document No. 2 - Detail of What is Being Proposed – Governance Arrangements, Golf Provision (including Golf Access Rights) and General Issues

This paper provides a more detailed explanation of what CGLMC, and their investor partners are proposing for how Carnoustie Golf Links will be operated and managed until 2033 or until such earlier time as a longer-term agreement can be reached and entered into.

Section 1 - Governance Arrangements

A) New and Revised Legal Agreements

The new arrangements being proposed for the operation and management of Carnoustie Golf Links, and which are the subject of this consultation are as follows: -

1. Angus Council enters into an updated Management Agreement with CGLMC – an update is required because the existing Agreement is out of date in some places, lacks clarity in some instances and needs amended to take into account that the courses will no longer be run by CGLMC directly for charitable purposes but by CGHH as a private company. The updated Management Agreement would have the same end date as now (March 2033).
2. Golf Access Rights Agreement – known as the GARA, this will be part of the updated Management Agreement the Council would enter into with CGLMC. Section 4 below provides more detail on the GARA and how it is proposed to operate.
3. CGLMC and Angus Council enter into what is called a Sub-Contract Agreement with CGHH which passes most of CGLMC's obligations in the updated Management Agreement with the Council on to CGHH. This Sub-Contract Agreement will mean CGHH managing and operating all aspects of golf provision on behalf of CGLMC and ultimately Angus Council. Angus Council is a party to the Sub-Contract Agreement because it needs to have, in certain situations, a direct right to compel CGHH to correct any failings under the Agreement. The Sub-Contract Agreement includes milestones for CGHH to bring forward their long term investment plans and proposals.
4. Angus Council enters into a separate "Governance Provisions Agreement" with CGLMC – this covers points of governance some of which sit in the current Management Agreement, but which are best covered now in a separate agreement. This Agreement provides certain safeguards if the proposed new arrangements with CGHH were to run into difficulties.
5. CGLMC and CGHH enter into an Asset Purchase Agreement (APA) whereby all of CGLMC's assets (including their Intellectual Property Rights – IPRs) and staff transfer to CGHH. Angus Council is not a party to this agreement but the Council's approval to what it proposes is required.
6. Angus Council enters into a Brand Agreement with CGHH which covers the Intellectual Property Rights (IPRs) which CGLMC will sell to CGHH through the APA. The Brand Agreement passes ownership of the IPRs to Angus Council until such time as a long term agreement is put in place at which point ownership of the IPRs will pass back to CGHH.

None of the above legal agreements have been finalised or entered into at this stage. The public consultation on the proposed changes will help to inform Angus Councillors on whether to proceed to enter into those legal agreements and to implement the changes being proposed by CGLMC.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

B) CGLMC Staff & Assets

CGLMC propose to appoint CGHH to operate and manage the golf courses on their behalf and as part of this arrangement all of the staff employed by CGLMC will transfer to CGHH. This will provide continuity and minimise potential disruption. CGLMC also propose to sell all of the assets they own to CGHH (except trophies) – this includes Links House and other CGLMC owned buildings, equipment and Intellectual Property such as Trademarks. The sale proceeds which CGLMC will receive will be a seven figure sum which was determined by an independent valuation. CGLMC does not own the land on which the golf courses sit – this is owned by Angus Council and isn't being sold.

C) CGLMC future role

CGLMC will (as is the case just now) be responsible to Angus Council for meeting the obligations set out in the Management Agreement. CGLMC will also need to manage the Sub-Contract Agreement it will have with CGHH and for representing the interests of local golfers including Season Ticket Holders.

The CGLMC Board has advised the Council that the company will continue to pursue the same charitable objectives as it has now. CGLMC intend to use the proceeds from the sale of their assets to CGHH to further those objectives.

The CGLMC Board have stated explicitly that ensuring the Golf Access Rights Agreement (GARA) is adhered to and the community benefits programme is maintained is fundamental to their role under the proposed new arrangements.

The CGLMC Board are to further consider their staffing needs if the proposals go ahead – they are expected to need some administrative support and a community benefits officer but final decisions in that regard have still to be made by the Board. The Board expect to have a 12 month transition period to allow the new arrangements to bed in.

D) CGLMC future governance

The CGLMC Board are currently undertaking a review of their existing governance arrangements which may lead to changes in how the Board operates. This is a matter for the Directors not Angus Council, albeit Angus Council has representatives who sit on the Board and will have a say in any proposed changes.

The Council currently has three allocated places out of the fifteen on the Board of CGLMC (although only one currently taking up a place) and this allocation of 3 places is expected to continue unless and until any changes are approved by the Directors. All Directors on the Board must act in the best interests of the Company regardless of which organisation appointed them to the Board.

CGLMC governance arrangements on issues like membership and use of funds, although important, will be separate to how golf provision is managed on a day to day basis through the Sub-Contract arrangements with CGHH.

CGLMC will need to consider the management of the funds received through the sale of their assets to CGHH and have indicated an expectation that professional fund managers will be brought in to do this.

E) Angus Council role

Angus Council's role will not change significantly under the proposals. As is the case just now the Council will be responsible for ensuring CGLMC meet their obligations in the Management Agreement including seeking to ensure fair access and pricing for local golfers. The Council could also have a role in enforcing aspects of the Sub-Contract Agreement if and when required if for any reason CGLMC fails to act.

The Council's role in relation to golf access and the charges for Season Tickets and visitor rounds is proposed to change under the terms of the Golf Access Rights Agreement (see further detail in Section 4 below).

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

F) Operational Arrangements

CGHH will take on all of the day-to-day running of Carnoustie Golf Links currently undertaken by CGLMC including course maintenance, access, administration, promotion and the running of tournaments. Since it is proposed that CGHH will acquire all the staff and assets of CGLMC there should be no disruption to operational arrangements. CGHH may wish over time to make some administrative changes to improve how the courses and hotel work together. Major changes to the golf courses or buildings on Council land require to be agreed with the Council in advance.

Section 2 – Golf Provision

A) Access and Pricing – A New Golf Access Rights Agreement (GARA)

It is proposed to replace the two clauses in the current Management Agreement between CGLMC and Angus Council which cover charges for playing (Clause 10) and access to the courses (Clause 11) with a new Golf Access Rights Agreement (GARA). This is necessary to bring more clarity and transparency to these arrangements and to take into account that CGHH will be operating the courses on a commercial basis.

The Council knows that access and pricing will be of significant interest to local golfers and especially Season Ticket Holders and is therefore asking for views on the proposed Golf Access Rights Agreement as a specific part of the consultation. Although local golfers already largely consume golf as set out in the GARA and the CGLMC Board has already approved the GARA in principle, this consultation provides an opportunity for valuable feedback from all stakeholders.

Section 4 below provides more detail on the GARA and how it is proposed to operate.

B) Provision for Visiting Golfers

Access to the courses and the costs charged to visiting golfers are covered in the GARA referred to above. The key change to current arrangements is that CGHH will be able to set pricing for visitors based on its own commercial judgement and market forces. The current link (ratio) between visitor prices and season ticket prices will no longer apply. As explained in A) above season ticket pricing would be governed by new arrangements and controls. On this basis CGHH will be able to control pricing for both the hotel and visitor golf access and offer integrated packages.

C) Provision For Angus Residents Who Are Not Season Ticket Holders

At present Angus residents who are not season ticket holders can play at Carnoustie at 50% of the cost of a visitor round. The GARA proposes that this same approach to pricing be maintained, i.e. 50% of the cost of a visitor round. Access for Angus residents will operate as it does now and depend on tee time availability.

D) Improving Golf Participation

One of CGLMC's charitable objectives is to "encourage and promote public participation in the sport of golf in the area of Angus". It is therefore anticipated that CGLMC will work with CGHH and other partners in Angus to deliver this objective.

E) Major Tournaments including The Open Championship

Carnoustie would continue to be available to host major tournaments and the management of those would be the responsibility of CGHH on behalf of CGLMC and Angus Council. Angus Council would as now provide logistical and other support where required.

The proposed changes covered by this consultation are not expected to secure the return of The Open Championship to Carnoustie directly, but they provide a foundation for the changes and investment

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

needed for that to happen. CGHH intend to move swiftly on developing their long-term investment plan in a timescale which will allow Carnoustie to be chosen as an Open host venue.

F) Course Maintenance/Development

No changes to how the courses are maintained are anticipated under the proposed new arrangements. A requirement to maintain the Championship course to the standard needed for major championships remains in place in the proposed revised legal agreements and investment in the courses and course infrastructure by CGHH will be required as part of this.

One of CGLMC's charitable objectives is to "promote the advancement of environmental protection or improvement". It is therefore anticipated that CGLMC will work with CGHH and other partners in Angus to deliver this objective.

Should CGHH propose any significant changes to the golf courses these would require the prior agreement of Angus Council.

Section 3 – General Issues

A) Financial Arrangements

The financial arrangements which arise from the proposals set out in this consultation are summarised below: -

1. CGHH – all costs arising from the operation of the golf courses at Carnoustie Links under the Sub-Contract Agreement will be met by CGHH and all incomes earned under the Agreement will flow to CGHH. CGHH will therefore carry the risk of financial losses and benefit from any financial profits from the operation of the courses.
2. Angus Council – no change, the Council does not receive any income from CGLMC under the current Management Agreement and that will continue to be the case. The Council receives rental income from its lease of the Carnoustie Golf Hotel which is covered by separate legal agreements and will continue to do so.
3. CGLMC – will no longer be responsible for the costs of running Carnoustie Links and will receive no income from this source – all of the risks and rewards from operating the courses will sit with CGHH. It is anticipated that CGLMC will continue to deliver their charitable purposes from income earned on the investment of the proceeds they will receive from the sale of their assets to CGHH under the Asset Purchase Agreement.

B) Land Issues

No changes to existing arrangements regarding land use at Carnoustie Links are being proposed as part of Phase 1. The Council continues to own the land for the courses and golf hotel. It is possible that additional areas of Council land may be sought by CGHH as part of their Phase 2 proposals, but this is uncertain, has not been discussed and would, if relevant, be covered in the Phase 2 public consultation.

C) Phase 2 Plan & Timeline

The Phase 1 proposals covered in this consultation are intended as a stepping stone towards delivery of a much bigger investment plan. The intention of CGHH is to develop the long-term investment plan and submit a planning application within a two year period and to achieve the necessary planning approvals within a further two year period. If this is achieved and ultimately agreed by the Council following a further public consultation it would mean new long term legal agreements being put in place. Such long-term agreements would replace or update the revised legal agreements set out in Section 1A) above.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

D) Carnoustie Golf Hotel

Since acquiring the hotel in late September 2023, CGHH has committed to spend in excess of £1.4 million on what they term a “sparkle” refurbishment of common areas within the ground floor of the hotel. These works were completed in early July. The R&A, in particular, was keen to see immediate improvements under new ownership prior to the 2024 Senior Open in late July. CGHH intends to spend a further c.£1 million in Q4 2024 to improve the club and spa area. While CGHH regard these steps as insignificant in the context of their long-term ambitions, they consider that they illustrate their commitment and show tangible results while providing locals and visitors alike with a transformed hospitality experience during the first year of their ownership.

Section 4 – Golf Access Rights Agreement (GARA)

A) Introduction/Summary

The current arrangements through the existing Management Agreement between Angus Council and CGLMC do not define golf access clearly enough and apply a pricing policy which is inappropriate for future operation by a commercial operator. As part of the changes being proposed a Golf Access Rights Agreement (the GARA) would replace clauses Tenth and Eleventh of the existing Management Agreement.

The GARA seeks to ensure that Season Ticket Holder (STH) playing privileges over Carnoustie Golf Links and the cost to play are clearly defined so that public access to golf at Carnoustie is assured – this is an absolute priority for both CGLMC and Angus Council. The GARA is structured so that it can flex and adapt in the future to reflect changes in golfing habits which may arise.

The GARA has two main functions:

- 1) To better define golf access (tee-times)**
- 2) To ensure an appropriate and transparent pricing structure**

Access

In relation to golf access the GARA is intended to provide a better defined, more appropriate, and transparent understanding on how golf is consumed at Carnoustie and to respond to changes in demand so that the golf courses are utilised to best effect.

Angus Council and CGLMC have obligations to maximise the use of a public asset and where possible, increase participation in golf. The GARA will have a formal review mechanism built in to ensure that the tee time allocation is best suited to how golf is consumed in the future. Any changes to this allocation will need to be approved by Angus Council and CGLMC as part of a 5 yearly review process (see below). CGHH as manager of the golf courses will be entitled to add ticket types but can only remove them with the Council and CGLMC's consent.

Price

The current arrangements for season ticket prices are linked to a ratio that would allow large increases to Season Ticket Holder prices to be applied so long as a similar % increase is applied to visitor prices. The GARA proposes to discontinue this link between season ticket pricing and visitor pricing and to set the prices for these groups independently.

CGLMC and Angus Council will remain custodians of golf access at Carnoustie and will ensure that CGHH fulfils their duties as set out in the GARA through regular reviews.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

B) Golf Access – More Detail

The GARA is intended to more clearly define:

- What constitutes a Season Ticket Holder tee-time
- What constitutes a Visitor tee-time
- Allowances for club priorities, competitions, and organised groups
- How and when tee-times can be booked
- Arrangements for the creation and removal of ticket types

Timetable of Tee-Times

The tee times at Carnoustie were never intended to be exclusive, rather each group would have priority. The table below which will be included in the GARA sets out the priority times for each user group with the intention of creating greater transparency as well as increased flexibility to allow the courses to be better used when spaces are available.

	Champ		Burnside		Buddon	
	Visitor	STH	Visitor	STH	Visitor	STH
Monday	09:00 – 12:20	07:00 – 08:52	10:00 – 12:22	07:00 – 09:52	09:00 – 12:22	07:00 – 08:52
	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22
	13:30 – 15:50	16:00 – 20:00	14:00 – 15:52	16:00 – 20:00	13:30 – 15:52	16:00 – 20:00
Tuesday	09:00 – 12:20	07:00 – 08:52	10:00 – 12:22	07:00 – 09:52	09:00 – 12:22	07:00 – 08:52
	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22
	13:30 – 15:50	16:00 – 20:00	14:00 – 15:52	16:00 – 20:00	13:30 – 15:52	16:00 – 20:00
Wednesday	09:00 – 12:20	07:00 – 08:52	10:00 – 12:22	07:00 – 09:52	09:00 – 12:22	07:00 – 08:52
	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22
	13:30 – 15:50	16:00 – 20:00	14:00 – 15:52	16:00 – 20:00	13:30 – 15:52	16:00 – 20:00
Thursday	09:00 – 12:20	07:00 – 08:52	10:00 – 12:22	07:00 – 09:52	09:00 – 12:22	07:00 – 08:52
	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22
	13:30 – 15:50	16:00 – 20:00	14:00 – 15:52	16:00 – 20:00	13:30 – 15:52	16:00 – 20:00
Friday	09:00 – 12:20	07:00 – 08:52	10:00 – 12:22	07:00 – 09:52	09:00 – 12:22	07:00 – 08:52
	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22	12:30 – 13:22
	13:30 – 15:50	16:00 – 20:00	14:00 – 15:52	16:00 – 20:00	13:30 – 15:52	16:00 – 20:00
Saturday	14:00 – 20:00	06:30 – 13:52	14:00 – 20:00	06:30 – 13:52	14:00 – 20:00	06:30 – 13:52
Sunday	11:30 – 20:00	06:30 – 11:22	12:00 – 20:00	06:30 – 11:52	12:00 – 20:00	06:30 – 11:52

The GARA also requires that any proposed changes to the allocation of tee times must be approved by the Council, CGLMC and CGHH taking into account usage patterns.

Season Ticket Holders will be entitled to book tee times allocated to visitors (that are available) within 60 days of the date of play. This is an improvement on the current arrangement, under which STH can book these tee times 30 days in advance.

Visitors will be entitled to book tee times allocated to STH (that are available) within three days of the date of play, subject to a cap of no more than 25% of available STH tee times being allocated to be used by visitors each day (to ensure STH can still get last minute tee times).

5 Yearly Review of Usage Patterns & Adjustments to Tee-time Availability

The golf courses are a hugely important asset for the public and the local economy so making best use of the courses now and into the future is a vital consideration in the GARA. Predicting how usage patterns may change over time is very difficult so the GARA proposes a 5 yearly review mechanism which will look at how available tee times are being used by Season Ticket Holders and visitors. The GARA envisages that the first 5 yearly review will take place for the 2029/2030 season.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

The GARA will set out current usage patterns across the 3 golf courses at Carnoustie by Season Ticket Holders and Visitors to provide a baseline (starting position). Actual usage by STH and visitors in the 5 years prior to the review will then be analysed and compared to see whether any significant changes in usage have occurred. If this analysis shows that there has been a reduction in the base consumption of golf (i.e. a reduction compared to current usage) by STH or visitors, and in addition there is an increase in STH or visitors bookings which exceeds 75% of their currently allocated tee times then available tee times may be adjusted using a formula so that more tee times are available for the group of users where demand is highest.

If for example Visitor usage fell over the 5 year review period and Season Ticket Holder usage increased to such an extent that more than 75% of Season Ticket tee times were being taken up then a downward revision to Visitor available tee times and an increase in Season Ticket tee times could be made. In this example demand by Season Ticket Holders has increased and demand by Visitors has reduced so changes in tee time allocations make sense to ensure the best use of the courses. The same would be true in reverse if usage by Season Ticket Holders declined and Visitor usage increased – in that scenario more tee times could be made available for Visitors.

The assessment of usage/demand and any changes to that following the 5 yearly reviews would be undertaken for each course individually and any changes to tee times would be made in a sensible way by adjusting current start and/or finish times.

C) Golf Pricing for Visitors – More Detail

Under the GARA the cost to play for visitors will be entirely at the discretion of CGHH as the manager of the golf courses. As a commercial operator CGHH need to have the freedom to set visitor pricing as they see fit taking into account their operating costs and market forces. Visiting golfers will continue to be crucial financially for the operation of Carnoustie Links and the subsidisation of play by Season Ticket Holders which is possible thanks to visitor income.

D) Golf Pricing for Season Ticket Holders – More Detail

At present income from Season Ticket Holders covers approximately 56% of the cost of provision for that group of players based on an analysis and apportionment of existing running costs. This means a 44% subsidy currently applies. The GARA will include details of the basis of this calculation at its inception to provide clarity on what is included and a baseline position for the 5 yearly reviews (see below) which will take place.

Pricing for Season Ticket Holders will use the current pricing structure and adjust this annually using the well-recognised Consumer Prices Index (CPI). Linking future price rises to CPI will create more transparency and should provide greater comfort over the short to medium term pricing structure at Carnoustie Links. The CPI adjustment will be applied to the annual cost of each ticket type and will be based on CPI as at 1 January each year. CGLMC have already committed to a price structure through to March 2026. The CPI linked pricing approach would therefore come into effect from April 2026 if the changes proposed in this consultation are ultimately approved by Angus Council. The current pricing structure for Season Tickets is shown below:-

	2023/24	2024/25	2025/26
1-Course	£247	£264	£283
2-Course	£427	£457	£489
3-Course	£693	£742	£794

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

The GARA also proposes two additional measures which could impact on the pricing for Season Ticket Holders in future as follows:-

1) Discretionary Adjustment

While CPI is a widely used and well recognised measure of the effects of inflation it is possible that in any given year CPI won't adequately reflect how the cost of providing golf facilities has changed in the previous 12 months. The impacts of climate change could, for example, increase costs for operating the golf courses at a rate above CPI.

For this reason and to provide transparency at the outset the GARA proposes that in addition to applying a CPI adjustment, CGHH (as the manager of the courses) will have the option to apply a discretionary adjustment of plus or minus up to 2%. Application of the discretionary adjustment will be covered by a pricing review process for season tickets (see Section F below).

2) 5 Yearly Review

While it is anticipated that CPI together with the possible use of the Discretionary Adjustment should ensure that the income generated from Season Ticket Holders keeps pace with changes in costs it is possible over time for the ratio of income to costs and therefore the level of subsidy to change from the current circa 56% cost and 44% subsidy position. Managing the level of subsidy is important in ensuring golf is affordable to local people, doesn't create unfair competition with other Angus courses and also to ensuring that the Carnoustie courses can be run in a financially sustainable manner.

For this reason, the GARA proposes that every 5 years, there will be an open-book review (conducted by independent auditors jointly appointed by the Council, CGLMC and CGHH) where the parties review the cost of delivery against the income generated from each group of users (Season Ticket Holders and separately Visitors).

If the 5 yearly review identifies a significant movement in the level of subsidy for Season Ticket Holders compared to now CGHH, as the manager of the courses, will have the option to adjust Season Ticket Holder prices to take account of that movement. This could be upwards or downwards. In order to ensure that Season Ticket Holder pricing remains subsidised the GARA includes a price cap of 75% of the cost of provision, i.e. a minimum 25% subsidy level is guaranteed to apply on an ongoing basis.

The GARA will also include an interim price cap of 65% (35% subsidy) for the first 5 yearly review. This means that changes to the prices paid by Season Ticket Holders as a result of the 5 yearly review process could not reach the 75% cap for at least a 10 year period and may not do so at all depending on the impact of CPI and Discretionary Adjustments applied each year.

Comparison of season ticket prices to the percentage caps of 65%/75% referred to above will take place at the 5 yearly review points not annually. If applying the annual CPI and Discretionary (if applied) adjustments results in season prices exceeding the percentage caps once the 5 yearly review calculations have been done prices will be adjusted to bring them back within the caps. If the 5 yearly review process shows actual or planned prices exceeding the cap the following will apply:-

If the excess over the cap is below 2% prices will be frozen until the cap is reached

If the excess over the cap is above 2% prices will be reduced to the cap level.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

In summary under the GARA as currently proposed Season Ticket Holder prices in future will be influenced by three variables:-

1. An annual CPI Adjustment – this will apply annually
2. An annual Discretionary Adjustment – this may be applied annually
3. A 5 Yearly Review Adjustment – this will only be considered for applying once every 5 years and is subject to a cap

E) Golf Pricing for Other Users

The GARA also covers pricing for other users as follows:-

- A 50% Angus Resident rate for non-season ticket holders will be maintained (50% of the Visitor price)
- Guests and upgrade prices will also be linked to the CPI formula
- Discounts will be offered to Season Ticket Holder groups where appropriate, which may change from time to time
- Junior/Juvenile STH prices will remain subsidised at current levels (being under 18s play for free and there is a sliding scale of subsidy from 18 through to 27) to continue to encourage participation.

F) Pricing Review Process

Under the current Management Agreement Angus Council can reject proposals from CGLMC for changes in visitor and season ticket pricing and this is proposed to change. Given that Visitor and Season Ticket Holder pricing in the future would no longer be linked, if the proposals in the consultation are approved the GARA will include a new review process for discussing and agreeing season ticket pricing which will involve the Council, CGLMC and CGHH. Visitor pricing will be set by CGHH alone.

The GARA pricing review process will provide the Council with a right to reject changes in Season Ticket holder pricing if there is evidence that the cost and participation in golf at Carnoustie by Angus residents is or would suffer as a consequence. Protecting availability and achieving fair pricing for local golfers remains a priority for the Council – the GARA developed by CGLMC is intended to provide a clear and transparent basis for achieving that aim.

G) Long Term Review of the GARA

Every ten years, the Council, CGLMC and CGHH will conduct a review to assess if the GARA arrangement remains fit for purpose and STH/visitor access and prices remain fair. The intention of this review process is not to re-open the GARA in its entirety but to consider any changes which are necessary to ensure that the GARA principles are being achieved.

Supporting Document No. 3 - CGLMC/Investors Vision for Carnoustie

The following narrative has been provided by CGLMC and their investment partners for the purposes of the public consultation.

Vision

For almost a century, Carnoustie Links has gained a global reputation for being home to one the most exciting and challenging tests in golf. Our vision is to continue to build upon this legacy by transforming Carnoustie into a world-leading golf and leisure destination capable of hosting golf's major tournaments for the long term.

This plan was developed in order to create the financial infrastructure required for Carnoustie Golf Links to deliver a world-leading experience for local, national and international guests as well as sustainable economic growth for the region and the return of The Open Championship.

The R&A has expressed its intention to hold multiple staging's of The Open at Carnoustie provided such enhancements are undertaken. The economic benefits to Angus are well-understood, with The 2018 Open estimated to have contributed >£70 million to the Scottish economy and £21.67 million to the Angus economy. The Open is the region's window to the World, providing otherwise unaffordable access to global markets. These markets deliver direct golf tourism revenues to Carnoustie in excess of £6m+ annually and this destination footfall is the lifeblood of Carnoustie Golf Links. Without The Open, Carnoustie Golf Links would lose its place on the world stage, which would lead to a significant drop in footfall, meaning that the organisation would not be able to sustain its current staff base, in turn leading to a reduction in employment, course conditions and facilities. We want to provide the environment for sustainable growth by securing the return of The Open on a multi-year agreement.

At its heart, the plan will secure the protection of local access rights to golf, employment and training opportunities for local people and millions of pounds of destination tourism spend within the region of Angus. By achieving these objectives, this project will play a vital role in ensuring that Angus is a great place to live, work, invest and visit.

CGHH and the investors behind the company are committed to working with CGLMC, Angus Council and The R&A to provide private sector investment to build a world-leading tourism destination at Carnoustie to match the quality of the golf courses, delivering transformational facilities for the region, this will include upgrade to the iconic hotel and spa and securing the return of The Open Championship on a multi-year agreement generating long-term, sustainable and economic benefits for the local community.

Our vision:

- **Protect Local Golf Access**
Enshrine existing golf access rights for Season Ticket Holders as a central part of the ambition to secure a long-term agreement.
- **Deliver An Outstanding Resort Experience**
Begin immediate improvements to the Hotel & Spa with continued major investment in its wider development, ultimately delivering an internationally recognised 4*+ health and wellbeing offer.
- **Safeguard And Create Local Jobs**
Support an optimal working environment for existing employees, securing, and integrating over 300 roles in the existing golf and hotel businesses, with the creation of new local jobs in the future.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

- **Enhance Community Benefit**

Phase 1 will allow CGLMC to establish a dedicated multi-million-pound community wealth fund to benefit local people and initiatives in-line with CGLMC's community-based charitable objectives.

- **Promote And Increase Golf Participation**

Helping new players participate and enjoy the game. Materially improve facilities to promote inclusivity and diversity and growing the already successful Carnoustie Craws and Elite golf development programmes.

- **Create An Environment For Local Economic Growth**

Significant investment in the hotel and golf facilities is hoped to drive interest in the local area, both by way of tourism and investment, providing further opportunities for the people of Carnoustie and Angus. We aim to become a flagship destination that drives transformational change in the community, elevating the local area for everyone's benefit, supporting the local development plan and securing a legacy for future generations.

Supporting Document No. 4 - Frequently Asked Questions (FAQs)

Supporting Documents 1, 2 and 3 ([links to be inserted in live version](#)) provide a detailed explanation of the proposals and how they are intended to work. The FAQs below cover additional points which may be of interest when considering how to respond to the consultation.

In the answers below CGLMC is CGLMC Ltd, the charity which currently operates the golf courses on behalf of Angus Council and CGHH is Carnoustie Golf Heritage and Hospitality Group Limited, the company which owns the Carnoustie Golf Hotel and which CGLMC propose take over the operation of the golf courses.

Part A - Background

1. Why are changes to existing arrangements needed at all, why can't we keep the status quo?

Mostly it's about trying to ensure Carnoustie remains a host venue for major tournaments such as The Open. The Open brings significant recurring economic benefits to the area and that includes large numbers of visiting golfers and associated income which helps subsidise play by local golfers and enables the courses to be maintained to the highest standard. Carnoustie must respond to the competitive market for hosting major tournaments and that means offering a full package of facilities not just a historic high quality golf course. Significant investment is needed to deliver the facilities required which is beyond what Angus Council and CGLMC can afford hence the need to seek external investors who are willing to take the commercial risks involved.

Change is also required because:-

- The current delivery model is not financially sustainable – it is highly dependent on Carnoustie continuing to host The Open and maintaining strong visitor numbers because of that.
- The current agreement runs out in 8.5 years and work to develop a new Agreement would be needed which delivers best value for multiple stakeholders - the council, local golfers, local community etc.
- There is an opportunity to deliver meaningful change for Angus which supports local priorities which are underpinned by a strong well-being economy. This is measured not purely by economics but also by people and place benefits. The Council is currently updating the Angus economic strategy which will broadly align to the national vision set out in Scotland's National Strategy for Economic Transformation: summary - <https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/pages/2/>

2. Why is hosting The Open important?

Carnoustie Golf Links is Angus's flagship golf venue which is globally renowned. Carnoustie regularly hosts major golf tournaments, including The Open, which was last held in Carnoustie in 2018. In addition to the significant economic benefits The Open and other major championships deliver to Carnoustie and the wider Angus region (£21.67m in direct and indirect benefits to Angus from the 2018 Open), The Open provides a global platform to showcase Carnoustie to audiences around the world. This generates interest and creates demand, attracting thousands of high spending UK and international visitors to Carnoustie and to Angus every year. This generates the revenues necessary to sustain the current business model and to enable CGLMC Ltd to deliver on its community and charitable aims. It also protects and creates local jobs, provides local access for thousands of golfers in Carnoustie and Angus, and enhances the lives of the people who choose to live and work in Carnoustie and Angus. Without The Open, the revenues at Carnoustie would decline considerably and the business and benefits as it currently operates could not be sustained.

3. Has the Council considered other options as an alternative to what CGLMC is proposing?

The Council's initial assessment of how to achieve its priorities for the golf courses at Carnoustie identified 5 possible options. Following further consideration and assessment those initial 5 options

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

([Report 428/22 refers](#)) have been reduced to the single option now being covered by this consultation. The other options initially considered were ruled out in Report 428/22 because they would not deliver the Council's priorities, were undeliverable practically or were financially unattractive for the Council.

4. What happens if the investment needed in Carnoustie does not happen?

Decisions about which venues host major tournaments are made by other organisation such as the R&A. Competition to host tournaments is very strong and without significant investment Carnoustie is much less likely to be awarded tournaments in the future.

If Carnoustie was no longer a host venue for major tournaments such as The Open, visitor numbers (and income) would, over time, fall significantly and that in turn would mean having to reduce the costs of running and maintaining the courses. The cost to play for local golfers and the quality of the courses would in all likelihood suffer (increases being required) if the investment being proposed is not made as would the Angus economy.

5. What happens if the proposals covered in this consultation are rejected by the Council?

The Council remains committed to trying to ensure Carnoustie remains an attractive host venue for major tournaments – this is a Council priority. If the current proposals were rejected the Council would need to consider how best to achieve this priority. Other options have however already been considered and rejected so there would be a high risk of the Council's priorities for Carnoustie not being achievable if what CGLMC are proposing does not go ahead.

6. Who are the Investors, what is their background in golf and leisure and why are they proposing to invest in Carnoustie?

The investor consortium is led by majority shareholder, Max Herberstein. Mr. Herberstein began his investing career over 20 years ago and is an experienced leisure asset owner and operator. Mr. Herberstein has been in discussions with CGLMC management since 2018 with a view to supporting a combination of the golf operations and the existing hotel – unlocking both further investment in facilities and securing a return of The Open. Mr. Herberstein is joined by Paul Lisiak, a NYC-based investment manager and golf enthusiast with a long-term interest in transforming the hospitality infrastructure at Carnoustie Links through capital investment.

Part B – Governance Arrangements

1. What will change as a result of CGLMCs proposal to sub-contract the running of the Carnoustie golf courses to the Investor's company (CGHH)?

In terms of day-to-day operation of the courses very little is expected to change as a result of the proposals. This is because CGHH will be taking on all of the obligations for the efficient operation of the courses which CGLMC currently has. CGHH will also take on the staff and assets of CGLMC to make transition to the new arrangements as seamless as possible.

Over time CGHH may wish to make some changes to how the business operates compared to now but any such changes will still need to meet the obligations set out in the legal agreements.

2. Will CGLMC still operate as a charity?

Yes. CGLMC intend to continue as an OSCR registered charity seeking to achieve the same objectives as now. The future direction for CGLMC as a charity and how best to deliver its charitable objectives will be a matter for the Trustees.

3. What will CGLMC do with the money they receive from the sale of their assets to CGHH?

This a matter for the CGLMC Trustees but it is understood the sale proceeds will be invested in order to generate a financial return and that financial return will provide a source of funding for the charity to continue to pursue its objectives.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

4. Will CGLMC still run their community benefits programme and give money to local causes?

Yes. The CGLMC Board has confirmed that the community benefits programme will continue into the future using funds generated from investment of the proceeds from selling their assets to CGHH.

5. Will the membership of the CGLMC Board change as a result of these proposals?

Possibly. The CGLMC Board are currently undertaking a review of their existing governance arrangements which may lead to changes in how the Board operates. This is a matter for the CGLMC Directors not Angus Council, albeit Angus Council currently has 3 places (only 1 currently taken up) on the Board and will have a say in any proposed changes.

6. Will Angus Councillors continue to be part of the CGLMC Board as a result of these proposals?

Angus Council currently has three places on the Board of CGLMC and this is expected to continue unless and until any changes are approved by the Trustees. All Trustees on the Board must act in the best interests of the Company regardless of which organisation appointed them to the Board.

7. Will CGLMC Board members or staff benefit financially from the proposals?

No. The CGLMC Board and their legal adviser confirmed in writing following a meeting with senior Council officials that no Board members nor staff members are expected to benefit financially from the proposals. CGLMC staff do however have a vested interest in the proposals as salaried employees of CGLMC who would become employees of CGHH if the proposals are ultimately approved for implementation.

Part C - Golf Provision

1. Why are changes being proposed to pricing and access arrangements?

The current Management Agreement lacks clarity and transparency over how the courses are accessed by different groups of users and how prices are determined. CGHH is a commercial company and the existing wording in the Management Agreement is wholly inadequate for the new arrangements being proposed. A Golf Access Rights Agreement (GARA) is therefore being proposed to bring the clarity and transparency needed for all parties to the proposed new arrangements which explains how prices will be set and how access to the tee times available will be determined. It is vital to have these matters set down at the outset to avoid potential issues and disputes later. Further detail is included in the GARA [\(insert link to Section 4 of Supporting Document 2\)](#).

2. Will the cost of season tickets increase?

The Golf Access Rights Agreement (GARA) proposes that season tickets will increase in line with the Consumer Prices Index (CPI) annually. As the operator of the courses, CGHH will have the option to adjust this CPI position by plus or minus 2%. Every five years a review will be undertaken to compare season ticket prices with the actual costs of provision and if required revise season ticket prices in response. CGLMC and Angus Council will however continue to have a say over season ticket pricing. Further detail is included in Section 4 of Support Document 2 [\(insert link\)](#).

3. Will changes be made to the times season ticket holders can play?

No changes to the times allocated for play are proposed at present but the GARA includes provision to vary the allocation of tee times between season ticket holders and visitors based on usage / demand patterns to ensure the availability of the courses is maximised. Further detail is included in the GARA [\(insert link\)](#).

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

4. How does CGLMC/Angus Council plan to ensure that the cost to play golf for local people including season ticket holders remains fair and comparable to other similar facilities?

Protection for season ticket holders is built into the proposed Golf Access Rights Agreement (GARA). This will ensure increases in prices are linked to CPI, are subject to a 5-yearly review mechanism which itself will be reviewed by independent auditors and as a final protection a cap will apply so that the price paid by season ticket holders will never exceed 75% of the cost of providing those services. An interim cap of 65% will apply for the first 10 years of the GARA. The cost to play for Angus residents who are not season ticket holders will operate on the same basis as now – 50% of the cost of a visitor round.

5. How will the proposals affect the promotion of golf to potential new participants including young people?

CGHH will provide a golf development programme at Carnoustie. This will be of a nature and in a manner which is materially the same as was provided by CGLMC in the twelve-month period prior to the changes proposed being implemented, including ensuring a selection of offerings for different abilities (such as pathway, advanced, high performance and amateurs) and groups of golfers (such as for girls, women and golfers with disabilities). CGHH shall also oversee and administer the tournament schedule at Carnoustie. This will be of a nature and in a manner which is materially the same as was provided in the twelve-month period prior to the changes proposed being implemented, including arranging tournaments for Season Ticket Holders, participants of the golf development programme and visiting golfers through open events.

6. Will the course be maintained to the same standards?

Yes. The Council requires CGLMC to maintain the courses to an appropriate standard and that requirement will also need to be met by CGHH under the Sub-Contract Agreement. The proposals are intended to enable additional investment in the courses and related facilities.

Part D - General Issues

1. Does implementing phase 1 of the proposals guarantee The Open Championship will return to Carnoustie in the near future?

No not directly but we know that Carnoustie is very unlikely to be asked to host The Open again unless investment and upgrades are made with Phase 1 being the first step towards that.

2. Will Angus Council benefit financially from the proposals?

No. The Council does not receive any income from the operation of the courses and that will remain the case under the Phase 1 proposals. Financial arrangements for the Phase 2 proposals are a matter for further discussion but an arrangement similar to that which exists in relation to the lease of the golf hotel where a ground rental is paid is envisaged. It has been made clear that the Council will require a financial return to be part of any arrangement put in place for Phase 2 .

3. Will there be any redundancies for CGLMC staff as a result of the proposals?

No redundancies will arise because of the proposed staff transfer and sub-contract arrangement. All staff will transfer under TUPE (TUPE stands for Transfer of Undertakings Protection of Employment Regulations). It is the law that protects employees, and their benefits, when their employment changes hands. Like any business CGHH may wish to make staffing changes in the future to best suit operational needs. This may include employing additional staff in the future.

4. Will the Carnoustie golf hotel be replaced?

The future of the current golf hotel will be considered further by the investors as they develop their Phase 2 plans.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

5. Why doesn't Angus Council fund the development work which is required in the hotel, golf courses and other facilities?

The Council does not have the knowledge nor the expertise to operate the golf courses and hotel and would need to buy-in such expertise. The scale of investment required is very large and carries a significant amount of commercial risk. Ensuring a return could be made on such a significant financial investment is not guaranteed and the Council's difficult financial position and its requirement to achieve best value and protect the public pound means taking such risks on the scale required is very unattractive. Put simply, the Council is not well enough placed to make the investment needed because it lacks the expertise and financial risk appetite to take such large commercial risks in current circumstances.

6. Will the Investors and CGHH as a company benefit financially from the proposals?

Yes, but only if they operate the golf courses and hotel successfully and generate sufficient income to cover their costs. The investors are also investing significant sums and taking a commercial risk in what is proposed and are seeking a financial return from taking that commercial risk. The investors will need to spend sizeable amounts at risk to develop their long term plans. Phase 1 as proposed reduces that risk in part.

7. Is Council land being sold through these proposals?

No. No Council owned land is being sold through what is being proposed in Phase 1. The Council will continue to lease the land for the golf hotel and have a revised management agreement with CGLMC covering the land for the golf courses which operates in a way which is similar to a lease. No land will be sold to deliver the Phase 2 proposals either but legal agreements for that phase (should they be approved by the Council in the future) would be long term and akin to sale.

8. When will the Investor's Phase 2 plans become public?

The investors behind CGHH have committed to the significant investment required to develop their Phase 2 plans over the next 2 years which will lead to a planning application being submitted.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

Supporting Document No. 5 – Next Steps

The Council is consulting on the Phase 1 proposals for change made by CGLMC for the future provision of golf at Carnoustie Links. The consultation provides an opportunity to hear from a wide range of interested parties and the general public before any final decisions on Phase 1 are made.

The results of the consultation will be used by elected members to inform decisions to be made on whether to agree to what CGLMC are proposing or not in relation to Phase 1. The consultation is not a referendum on the proposals, but elected members will have regard to all of the consultation feedback in making the decisions which will follow the consultation. This may include making changes to the draft Phase 1 proposals as they currently stand.

The consultation is unusual in the sense that while it is very clearly a consultation being undertaken by Angus Council on the future of a Council owned asset, the core of what the consultation is about and the changes being proposed for the management of golf at Carnoustie Links has come from CGLMC and their investment partners.

The timing of the next steps in this process are as follow:-

1. Consultation Opens – Thursday 8 August 2024
2. Public Drop-in Session 1 – date, time and venue will be confirmed when consultation goes live
3. Public Drop-in Session 2 – date, time and venue will be confirmed when consultation goes live
4. Consultation Closes – Wednesday 18 September 2024
5. Report to Angus Council to consider consultation results and decide on CGLMC proposals - mid-late October 2024 (exact date to be confirmed)

Assuming agreement at point 5) above, work on the Phase 2 proposals by CGLMC's investment partner is expected to begin very shortly thereafter.

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

Consultation Survey – Respondent Information & Questions

Background

Angus Council owns the golf courses at Carnoustie Golf Links but CGLMC Ltd (CGLMC), manages and operates the golf courses on the Council's behalf under a Management Agreement which expires in March 2033.

CGLMC is proposing to commission a separate company (owned by private investors) Carnoustie Golf Heritage and Hospitality Group Limited (CGHH) to undertake the day-to-day management of Carnoustie Golf Links on their behalf for the remaining period of the Management Agreement (until 2033). This company already owns and operates the Carnoustie Golf Hotel.

CGLMC's proposals are intended to enable the significant investment required in golf and hotel provision which is considered to be necessary to keep Carnoustie as a suitable venue for hosting the Open Championship – a priority for Angus Council. The investment will also help establish a more sustainable business model for golf provision and deliver wider economic benefits for the area, including community benefits.

CGLMC's proposals mean limited changes to current arrangements but some changes to the existing Management Agreement are proposed, and this includes how access and charges for playing golf for visitors and Season Ticket Holders will be managed in the future.

The Council is seeking views from all interested parties who may have an interest in what is being proposed including Carnoustie Community Council, Carnoustie Links Season Ticket Holders and other local golfers, visiting golfers, local golf clubs, local businesses, CGLMC staff and partners and the general public. The feedback from this consultation process will be used to inform decisions the Council will make on whether to agree to what CGLMC is proposing.

The consultation is available through the Engage Angus website. Paper copies of the consultation are also available in libraries across Angus and at Links House and drop-in sessions open to the public will be held as part of the consultation process.

Section 1 - About You

To help with analysing the consultation results and deciding whether to agree to what CGLMC propose the Council wants to know a little bit about who is responding including whether you are a resident of Angus and a current season ticket holder at Carnoustie. The survey also asks for information to help the Council meet its duties under equalities legislation.

To find out how we handle your personal data, please see our privacy statement at the following link - [Data and Privacy Information](#).

1. Are you responding as an individual or on behalf of an organisation or group?

- Individual
- Organisation/Group

2. Do you live in: -

- Carnoustie
- Another part of Angus
- Another part of the United Kingdom
- Another part of the world

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

3. Which of the following best describes you: -

- Carnoustie / Angus based business owner
- Local representative e.g. Carnoustie Community Councillor
- Member of CGLMC Staff
- Member of the general public

4. Which of the following best describes you in relation to playing golf: -

- I am a season ticket holder for 1 or more of the Carnoustie Courses
- I have been a visiting golfer to Carnoustie or plan to visit and play in the future
- I am a non-golfer

5. Equalities Information

A) What is your Age? (Please tick one box)					
0-18	18-24	25-39	40-49	50-64	65+

B) What is your sex? (Please tick one box)	
Male	Female
Prefer not to say	Other

C) Do you have a disability? i.e. Do you have a physical or mental impairment that has a substantial and long-term negative effect on your ability to do normal daily activities? This could include, for example, a long-term health condition, a sensory impairment or a learning difficulty (Please tick one box)		
Yes	No	Prefer not to say

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

D) Ethnicity – are you? (Please tick one box)			
a) White	Scottish	c) Asian, Asian Scottish or Asian British	Pakistani
	Other British		Scottish Pakistani
	Irish		British Pakistani
	Gypsy/Traveller		Indian
	Polish		Scottish Indian
	Roma		British Indian
	Showperson		Bangladeshi
	Any other white background (please state)		Scottish Bangladeshi
			British Bangladeshi
			Chinese
			Scottish Chinese
			British Chinese
			Any other Asian background (please state)
b) Mixed or multiple ethnic group	White and Black Caribbean	d) Black, Black Scottish or Black British	African, please write in
	White and Black African		Caribbean (for example Scottish Caribbean, Black Scottish)
	White and Asian		Any other Black
	Any other mixed background (please state)		background (please state)
Other ethnic group	Arab, Scottish Arab or British Arab	e) Prefer not to say	
	Other (please state)		

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

Section 2 - General Questions

1. Do you agree that working with partners (the R&A, CGLMC, Investors) to ensure Carnoustie remains an Open Championship host venue should continue to be a key priority for Angus Council and the Angus economy? (Yes/No)
2. Do you think the proposed changes will enable CGLMC to deliver their vision to protect local golf access, safeguard and create local jobs and sustain their charitable objectives including the community benefits programme? (Yes/No)
3. Do you agree that the proposed new arrangements provide Angus Council and CGLMC with sufficient oversight and control over future golf provision at Carnoustie (Yes/No)?
4. Overall do you support the changes to existing arrangements being proposed by CGLMC as explained in Supporting Documents 1 & 2 ([insert links to these](#)) of this consultation? (Yes/No)

Section 3 - Specific Questions

1. Do you support the proposal to have the Carnoustie golf courses and Carnoustie golf hotel run by the same company (Yes/No).
2. Do you support the transfer of staff and assets from CGLMC to the proposed the new company (CGHH) who CGLMC propose would run the golf courses on their behalf? (Yes/No).
3. Do you support the proposals for managing access to the courses and pricing for Season Ticket Holders and Visitors as set out in the proposed Golf Access Rights Agreement (GARA)? (Yes/No) ([insert link to GARA summary – Section 4 of Document 2](#))

Section 4 - Comments

1. If you want to please provide in the box below any further comments on the proposals covered by this consultation including any questions you have, further information you would like to see published or concerns you want to raise. Free text answer (100 word limit)

Appendix 2 to Report 206/24 - Carnoustie Golf - Phase 1 Consultation

Draft Public Notice (unformatted)

The notice below will be published in the local area at Carnoustie Links.

Angus Council hereby gives notice that it is considering changes to current arrangements for the operation and management of the golf courses at Carnoustie Links. The Council is consulting on proposals for change made by Carnoustie Golf Links Management Committee Ltd (CGLMC) for the future provision of golf at Carnoustie Links.

Full details of the proposal are contained in a public consultation, which together with the reasons for the proposed changes can be found at www.engage.angus.gov.uk (live link to insert), or may be examined during normal office hours and without payment of fee at Carnoustie Library, 21 High St, Carnoustie DD7 6AN. Paper copies of the survey are also available at Links House, Carnoustie, Carnoustie Library and other libraries across Angus.

Any person may, by **18 September 2024**, make comments on the proposals by completing the above online survey. Alternatively comments can be made by completing a paper copy of the survey and submitting it at Carnoustie Library or to Angus Council, Director of Finance, Angus House, Silvie Way, Orchardbank Business Park, FORFAR, DD8 1AN

XX August 2024