



BICESTER HOTEL
golf and spa
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March 2020 – Golf Future Business Plan

It has been requested by Cherwell District Council to provide a business plan for the future of golf activity at Bicester Hotel, Golf and Spa. This is in order to explain the existing and future financial considerations relating to golf at the resort.

The number of golf members has consistently declined over recent years, from around 400 in 2010 to 170 after the recent renewals for 2020. We would expect further decline as we move forward into the new decade.

In terms of costs associated purely with golfing activity (predominantly those associated with course maintenance) these have increased from annual costs of approximately £275k in 2010 to circa £325k in the year to October 2019. Currently, golf operations at Bicester Hotel, Golf and Spa makes just a marginal profit of around £30k per year. Based on current trends, it is projected that this contribution will continue to decline until 2022 when the golf operation would go from making a marginal profit to making a marginal loss. At this point the owners would inevitably close down part or all of the golf course as the operation would no longer be sustainable. This has been discussed as part of strategic management meetings.

It is in the owner's interest to maintain some level of golf activity as it does help as part of the wider leisure offering at the hotel. As such, we have already looked at plans to close 9 of the 18 holes (irrespective of the Great Wolf planning application). To do this would inevitably result in a further drop in members, we predict by roughly 40% to around 110. However, costs would significantly reduce, to somewhere in the region of £200k, or around 60% of existing. These cost savings, coupled with increased visitor golf income (from greater availability on golf course) would provide the future golf operation at Bicester Hotel, Golf and Spa with a degree of financial stability.

In the event that Great Wolf are granted planning permission, investment to make improvements to the remaining 9 holes would be made. This would include making the 9 holes that remain into an 18 hole course (with two tee points per hole), creating a new practice range with a focus on new users, and encouraging young people to play through free access to a set number of people per year.

In terms of the implications on the business plan and figures above, this would be predicted to stem the loss of members associated with the change from the current arrangement whilst adding only a very small increase to costs if any (as the improvement works will all be secured as a single capital project and secured through a planning permission). We would also expect the broadening of access to the golf course to lead to an increase in memberships, optimistically changing the trajectory of declining membership to an increasing one. From a business plan point of view, the change in approach to golf here would create financial certainty to its continued operation.

Roger McPherson, Financial Controller, Bicester Hotel Golf and Spa