



INFORMATION EVENING Q&A

QUESTION:

Should any surpluses not be kept within Club funds since while the individual member refund is relatively small, the overall cost to the Club is significant and may be required during these uncertain times?

ANSWER:

During the 10 weeks when the courses were closed, a number of members wrote in strong terms seeking refunds of their subscriptions on the grounds that they were not able to access the facilities. Examples were given of other golf and sports clubs providing subscription holidays or extending the membership period.

Council decided that any decision on refunds would be taken at the financial year end once the results for the year were known and we understood the full impact which the COVID restrictions, including the Government's furlough scheme, had on the Club's financial position.

Each year, our subscriptions are set at a level designed to generate a modest profit and cash surplus on an annual basis. Due to the closure, and receipt of Government incentives, our costs for the year were considerably lower than budgeted. The members' subscriptions received were therefore significantly in excess of what was required.

Council therefore felt that it was appropriate to return one month's subscriptions to each member as a reward for everyone's patience and loyalty since March.

QUESTION:

Has Council considered alternatives to refunding a portion of the annual subscription to the members, including a donation to a local charity or another struggling Golf Club and returning the furlough money to the Government?

ANSWER:

The Rules of the Club specifically prohibit distribution of surpluses or assets to third parties. While no surpluses or assets can be distributed to members, the Rules permit Council to refund or to repay any portion of annual subscriptions already paid and Council has chosen to do so.

QUESTION:

How will the refund operate?

ANSWER:

As outlined in the Information Evening presentation, Council is proposing two methods of refund and members will be able to select their preferred method.

The first option is that the refund will be treated as an advance payment against next year's subscriptions. So, when next year's subscription demand is issued, it will reflect a payment to account amounting to one month's subscription.

The second option is that an amount equal to one month's subscription will be added to your loyalty card.

In the event that members do not make a selection, the default will be that the money is added to the member's loyalty card. This method ensures that the funds are used within the Club, which was something a number of members suggested.

Whatever option is chosen, members may still wish to make a donation to one of the Club's chosen charities (AFCCT and Alzheimers Scotland) and if there is demand, the Club can set up JustGiving pages to make it easier for members to donate. Donating in this way will ensure that the charities benefit from Gift Aid.

QUESTION:

How many people are on the current waiting list?

ANSWER:

As at 30 October 2020, there were 33 people who had deferred their Full Membership from last year (as they are entitled to do); 204 people on the waiting list seeking full membership; and 152 on the juniors waiting list (although many are under school age). The waiting list numbers are reported monthly in the Club Manager's Report to Council which is available on the members' page of the website as part of the Council minutes.

QUESTION:

Is it realistic to aspire to £50,000 of visitor income in 2022 and £150,000 by 2025, given the current utilisation of courses and lack of capacity to accommodate extra visitor rounds?

ANSWER:

As explained in the Information Evening presentation, the target dates in the Strategic Plan were set pre-COVID and before the considerable pressure on tee times. Restrictions on both domestic and international travel have also limited the potential to generate significant visitor income in the foreseeable future. In light of these issues, Council has pushed back these target dates.

However, Council believes that there are small changes which we can introduce now to generate more visitor income without impacting on members. For example, we have removed the price differential between weekend and weekday green fees for member guests and for next season, we will reserve one off-peak tee time per week for 20 weeks during the playing season which will be marketed as a fourball package, including lunch.

QUESTION:

Given that the food and beverage operation within the Club generates a loss after members' discount has been applied, has consideration been given to increasing food and beverage (F & B) prices by 10% and/or reducing the members' discount to 5%?

ANSWER:

We aim to make a modest profit from F & B before members' discount. To date F & B has been delivered as a member benefit in the same way as the golf courses. The members enjoy restaurant quality food; all day dining; and below market prices. Prices are reviewed regularly and changed to reflect underlying market costs. The members' discount further encourages members to come to

the Club and use the excellent facilities. Council will resume plans for more and varied dining events to increase revenue once COVID restrictions are lifted.

QUESTION:

Two of the strategic initiatives are to reduce the average age of members and increase revenue from visitors, will Council consider allowing denim jeans to encourage visitors and younger members?

ANSWER:

Many members indicated in the CCL survey that they would use the Clubhouse more if the Dress Code was relaxed. The Dress Code was updated in August to permit denim jeans (other than blue denim) and trainers within the Clubhouse as part of the Club's desire to encourage younger members and families to enjoy the facilities.

QUESTION:

Will Council consider alternative outside eating options and will these be brought to the members for comment?

ANSWER:

This summer was unusual given the restriction on eating and drinking indoors. To ensure that the popularity of the outdoor facility remains when those restrictions have been lifted, we intend to operate a similar outside facility next year. Over the winter, drainage works will be carried out on the area on which the marquee was sited this year. We intend to purchase better quality outdoor furniture which will be situated in the same general location. If we hire a marquee next year, it will be sited on the north side of the path to the driving range to allow better views for everyone.

There was considerable congestion at the entrance to the Club so we are investigating various options which would avoid staff serving the outside area having to use the front door.

If the outdoor facility proves to be as popular next season as it was this year, we will look at more permanent solutions, including an extended balcony or patio area. These proposals will come before members for discussion at the appropriate time.

QUESTION:

What is the rationale behind taking the Pro Shop in-house and has the Club prepared a Business Plan?

ANSWER:

Council consulted with Frank, CCL and the PGA to understand the current and emerging trends in the industry and we explored the pros and cons of both the traditional model of paying a professional a retainer for them to run their own business out of the Club's shop and facilities and employing a team to run the golf operation for the Club.

Under the traditional model, the shop is simply a cost to the Club. In addition, the Club would have no control over the incoming professional in terms of the stock which is sold, pricing, staff employed or the hours they work. The Club would have no visibility in terms of the shop or coaching activities which the incoming professional and their team carry out.

Taking golf operations in-house has the opportunity not just to reduce the current losses, but also to ensure that the service within the shop in terms of hours of opening, stock, coaching and pricing is focused on member needs. It also provides flexibility in terms of staff being deployed elsewhere within the Club during winter months. We also believe that a number of the initiatives in the Strategic Plan can be implemented by an in-house golf team, taking pressure off Debbie.

From a financial point of view, Council considered whether costs savings could be made. Based on information from Frank, CCL and the PGA on retail turnover, anticipated gross profit contribution, coaching income, staffing levels and related costs, we have prepared a conservative budget which anticipates that in the first year of operation, the current cost of the shop to the Club will be reduced by more than half. Over time, and with member support, it could become a profit-generating centre for the Club.

Taking all of the above into account, Council considered that an in-house golf operations' team would best serve members' interests going forward. The detail of the business plan for golf operations will be prepared in conjunction with our new Head Professional, Ross McConnachie, using his considerable expertise in running a successful golf business.

QUESTION:

What changes are proposed to the courses and can the brief to the course architects be made available?

ANSWER:

There are no major changes to the courses currently planned. The brief which was issued to a number of course architects is available on the members' page of the website. The bids which have been received in response to the brief are currently being considered.

QUESTION:

Will Council consider clearing the OB area between 13th and 2nd fairways and deepen the water retention area to help with flood management and also move from an OB to a hazard area.

ANSWER:

This was a matter which was considered by a previous Council and led to significant enhancement of this area. Civil engineers reviewed the area and advised that cost and disruption of undertaking works was disproportionate to the benefit of the limited additional flood storage capacity which would be provided.

The ditch was however cleared and the OB was moved both in terms of the 2nd and the 13th. After careful consideration a decision was taken at that time to retain the OB area, rather than make it a hazard. It was felt that removing the OB would encourage players to hit across the corner from the 13th tee, placing those playing the 2nd in danger of errant shots. It was also felt that making the area a hazard would lead to people trying to retrieve their balls and/or playing them, with the potential for hold ups.

QUESTION:

Are there any plans to improve the alignment of the 7th and 8th holes on Blairs?

ANSWER:

There are no current plans to change the alignment of any holes on the Blairs. The review to be carried out by the appointed course architect will consider whether there would be benefits in realigning these holes.

QUESTION:

Please provide further detail on the renewal of the greenkeeping equipment and how this is spread across a number of years.

ANSWER:

The course equipment which is being renewed is a mix of machines which are 5 and 12 years old. The former was purchased on finance lease in 2016 and all of the equipment now being acquired is being purchased on similar terms. This spreads the cost over the next 5 years and is easily funded from our operational surplus on an annual basis. We did consider an outright purchase of the equipment, however that would have depleted the cash reserves set aside for funding significant capital improvements. Also, our VAT recovery rate is unusually low in the current year due to the loss of F&B income. With an outright purchase, the VAT recovery would have been fixed at this low rate; whereas with the finance lease the VAT recovery is assessed in each of the 5 years. We expect our recovery % to increase significantly once golf operations is brought in house.

QUESTION:

What are the Club's short, medium and long term plans to ensure environmental issues around the whole facility are addressed, in particular climate change and are the Club looking to gain any accreditation?

ANSWER:

Environmental issues and climate change will form part of the review of both courses by the appointed architect, recognising that we are already in a floodplain.

We are looking at collecting rainwater for use on the courses. We already use recycled water for washing machinery down and have a policy to use environmentally friendly fungicides and pesticides and even then to use the minimum amount required to treat the issue.

We have a tree management plan in place and have bird and bat boxes in various locations.

We are exploring options for areas that may be able to be left to grow wild or planted with wild flowers, such as the area between the 9th green and 10th tee on the Haughton which members will have noticed this season.

Some of the new greenkeeping machinery which has been purchased is pure battery power and some is hybrid.

QUESTION:

Can the drainage ditches around the course be enlarged to assist with flood drainage?

ANSWER:

As the courses lie within the River Dee floodplain, the approach to flood management is one of ensuring that the water drains away as quickly as possible. A lot of work has been done in recent years to improve the drainage ditches within and around the courses to both store floodwater and to speed up its dissipation. While a review of the current arrangement will be considered as part of the architectural review, no further drainage works are currently planned. See also the earlier answer in respect of the area between the 2nd and 13th on Haughton.

QUESTION:

Which staff are financially incentivised by profit share or commission on sales of F & B and what management supervision and staff are planned to be incentivised in pursuit of accountability?

ANSWER:

One of the initiatives in the 5-year Strategic Plan is to develop senior F & B staff accountability for good financial performance. This has been put on hold due to COVID restrictions.

QUESTION:

Are there plans for reviewing the Strategic Plan given that it was adopted prior to emergence of COVID-19?

ANSWER:

The Plan outlines Aims and Objectives, together with a series of initiatives which it was intended would be delivered over the next 5 years. As the Plan itself states, it was envisaged that the Plan would evolve over time, responding to member needs. It is a living document. For example, the Plan includes an Aim of providing welcoming clubhouse facilities which meet members' current and emerging needs. Pursuing an outdoor seating area was not listed as initiative in the Plan to meet that objective, but given the success of the outdoor dining this summer, that is now being explored as it accords with members' emerging needs.

The Plan proposes a biennial member survey which will consider the ongoing relevance of the Aims and Objectives and will help inform the development of initiatives.

QUESTION:

Can Council consider a regular campaign of structured communications and consultation with members to ascertain members views on various matters?

ANSWER:

Council considers that there are already regular and structured communications which provide information and seek views. In addition to the weekly Club/Pro Shop/Course updates, the Captain now issues an update after every Council meeting highlighting the main issues discussed and encouraging members to get in touch about any matter. Correspondence received from members is discussed by Council and action taken as required. The Captain, Council and staff also speak regularly to members in the Clubhouse and receive feedback directly.

The Strategic Plan was developed on the back of considerable member engagement through workshops and surveys and responds to issues which were raised by members. The Plan envisages a biennial survey to elicit up to date member views. A survey was carried out during the summer to find out views on the online booking system.

The Strategic Plan is a standing item in the Council minutes, as are Capital Projects. The minutes are posted on the Club website every month. The annual winter Information Evening also provides updates.

Member views on any significant capital projects will be sought at the appropriate time.

QUESTION:

Does the Club have plans to acquire additional land to the east and west to allow expansion to provide 2 eighteen hole courses?

ANSWER:

There are no current plans to acquire any additional land. Land to the east and west is also within the River Dee floodplain so it suffers from similar flooding issues.