



Members Ballot 3

*Clubhouse Refurbishments, Club Crest,
10-year Membership & Jubilee Fund*

February 2022

PUBLISHED: 11 MARCH 2022

Background



This document contains the results of the third Members' Ballot. The information is confidential and supplied to members of The Manchester Golf Club for information. The document should not be shared with anyone outside the golf club without the express, written permission of Council.

The results of the Members' Ballot together with the Recommendations on page six have been considered at a special council meeting held on 9 March 2022. The Recommendations have been approved for implementation.

Further Member consultation and briefings will continue. Member contributions of time, expertise and assistance with the Recommendations are welcomed. Please notify any member of Council or Matt Skates, General Manager should you wish to be involved further with these important projects for the club.

Finally, we would like to thank all Members who completed the Ballot and provided important and valued insights and opinions that have been a great help in the decision making process for these important initiatives at the Club.



“The best way for the Club to generate additional profitability for re-investment in the Club will be to continue to ensure the course remains in the excellent condition it has been in over the last few years, and indeed continues to develop. This will enable us to maintain healthy green fee rates and attract remunerative golfing societies & visitors who will also spend money in the clubhouse. I suggest there is material upside here that can be achieved compared to recent years

Member’s Quote from Ballot



“The precedent set by others that have refurbished has shown no additional value or asteroid improvement. Redecorate and ask a member to assess roof and electrics. No one will visit a golf course because they have a great clubhouse. They visit for the course”

Member's Quote from Ballot

Executive Summary



- **182 responses and 1,282 views of Members' Briefing Webpage by 890 users**
 - Significant sample size provides high degree of statistical confidence in findings
- **Over 9-in-10 members in favour of refurbishing the clubhouse, but not at any cost**
 - The average supported investment is £409k
- **Member engagement with clubhouse refurbishment is lower than that for the course**
 - 225 members contributed to Members' Poll on investment priorities (at a time of fewer members)
 - More members want investment in the course than the clubhouse
- **Three quarters of members are in favour of 10-year membership to finance refurbishment**
 - There are underlying concerns related to the Booth's payments, long term impacts & alternatives
- **The average fairest fee for 10-year membership is £14,042**
 - A small number of financially astute members have calculated the value of the 10-year fee
- **Over 8-in-10 members are in favour of a Jubilee Fund to help finance refurbishment**
 - Even higher amongst the 90% in favour of refurbishment
- **Members are divided on the club crest and logo**
 - Changing would be divisive

Recommendations

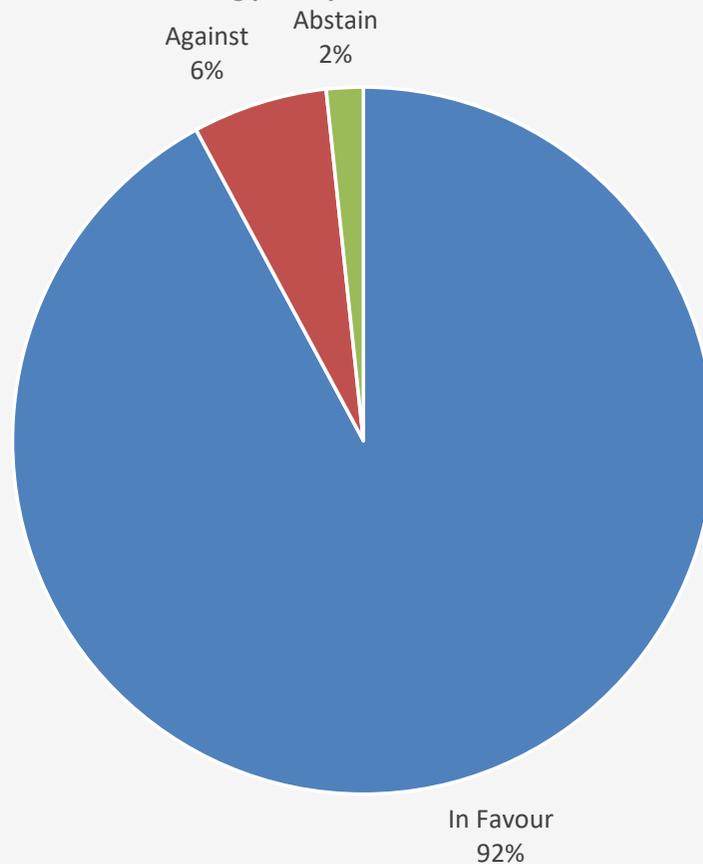


- **Refurbishment should be very selective** – ideally enhancing the ‘golf club experience’ for our prime audience without alienating a realistic target audience for functions
- **Refurbishment cannot be at the expense of investment in the course** so needs to be phased, supported by improved commercial performance
- **Further communication is needed to ensure members understand why practice facilities require investment** in advance of additional course investment
- **Jubilee Memberships should be offered** with defined acceptance criteria, small amendments and a fee of £14,100
- **The Jubilee Fund should be launched** with small amendments
- **Further communication is needed to ensure members understand why finance isn’t available** from the Booth monies, furlough receipts, rate relief and COVID grants
- **Further member engagement is needed** to explain further why other finance alternatives are not being pursued
- **Members with commercial, construction & contract skills** should be invited to support Council further
- **The Club Crest should be retained** (standardising on one of the four currently in use) with a logo introduced for the Manchester Golf Academy

Clubhouse Refurbishment



If we are able to raise the significant capital required, are you against or in favour of refurbishing priority areas of the clubhouse?



- **All against are 7-day members**
 - 1 aged 20-30
 - 1 aged 31-44
 - 4 aged 45-60
 - 5 aged 60-74
- Also most likely to be against the Jubilee Fund
- Also most likely to be against changing the club crest
- Include a number of long standing members
- **The verbatim comments and budget allocations clearly show this is an agreement in principle BUT not at any cost**

Refurbish with Care



"I am in favour of a clubhouse generally, however I am against the lions share of the budget being spent on the function room facilities. I don't see this as a reasonable return on investment."

"Clubhouse looking tired overdue for a re-vamp?"

"The building has character and we need to bear that in mind when buying new furnishings. At the moment the building is soulless without curtains."

"The Clubhouse needs refurbishment to keep pace with the improvements we have already seen on the course, if we want to be a top class Golf club it has to be done"

"We need to move with the time and the clubhouse isn't going to last another 30 years so it's only going need updating at some point "

"Upmarket our beautiful club, visit some USA clubs for inspiration such as Doral."

"Prioritise refurbishment of The Hopwood Suite only due to cost. This allows use by members for big events and marketing for outside use. Other areas can be done as funds allow."

"MGC is a golf club primarily not a large function venue and therefore a modest redecoration of the Hopwood Suite and 19h with new furniture and carpets would provide an appropriate modern space for members functions and society meals"

"Should be getting a minimum of 3 quotations for any work that is to be carried out so a reasonable assessment can be made of the estimates"

"On the last ballot my preference was to spend on the clubhouse."

"I agree with the need to modernise the clubhouse, but when considering how and why we are doing this I would have a very strong preference to retain the over-riding core principle that MGC is a members' golf club. I would therefore hope that the main driver regarding design and rationale would be to improve the overall experience for members and guests/visitors, as opposed to chasing revenue associated with external functions.."

"Estimates usually are difficult stick with, needs watching very carefully"

"Why does it seem all the driving range money is being spent. I do not understand why we needed a completely new practice area with new configured bunkers. It seems a vanity project. Would it have been better to us it on the essential club refurbishment?"

"In order for the club to go forward, the refurbishment needs to go ahead."

Refurbishment Is Not Our Only Priority



“The best way for the Club to generate additional profitability for re-investment in the Club will be to continue to ensure the course remains in the excellent condition it has been in over the last few years, and indeed continues to develop. This will enable us to maintain healthy green fee rates, and attract remunerative golfing societies & visitors who will also spend money in the clubhouse. I suggest there is material upside here that can be achieved compared to recent years (eg, once Covid lifts and the impact of increased green fee rates fully comes through). This is the model followed by the vast majority of top clubs we should be aspiring to and comparing ourselves against (eg, Alwoodley, S&A, Formby, Hillside etc). This may mean clubhouse refurbishments take a little longer to fully complete, but the Club needs to live within its means..”

“To spend £58,400 is an outrageous sum money for refurbishment of the clubhouse. To decorate the mentioned areas would I think only cost £50K. Money should be spent on providing tarmac paths for buggies on all holes on the course”

“I believe more money should be spent on the course as this is the cash generator. When has the clubhouse activities generated a profit as a stand alone business?”

“We are not a wedding/function venue and do not see the value in spending this kind of money suggested.”

“No mention of bunkers in the need for investment?”

“Will the standard of alterations be of a better standard than the window/ door replacements carried out recently?.””

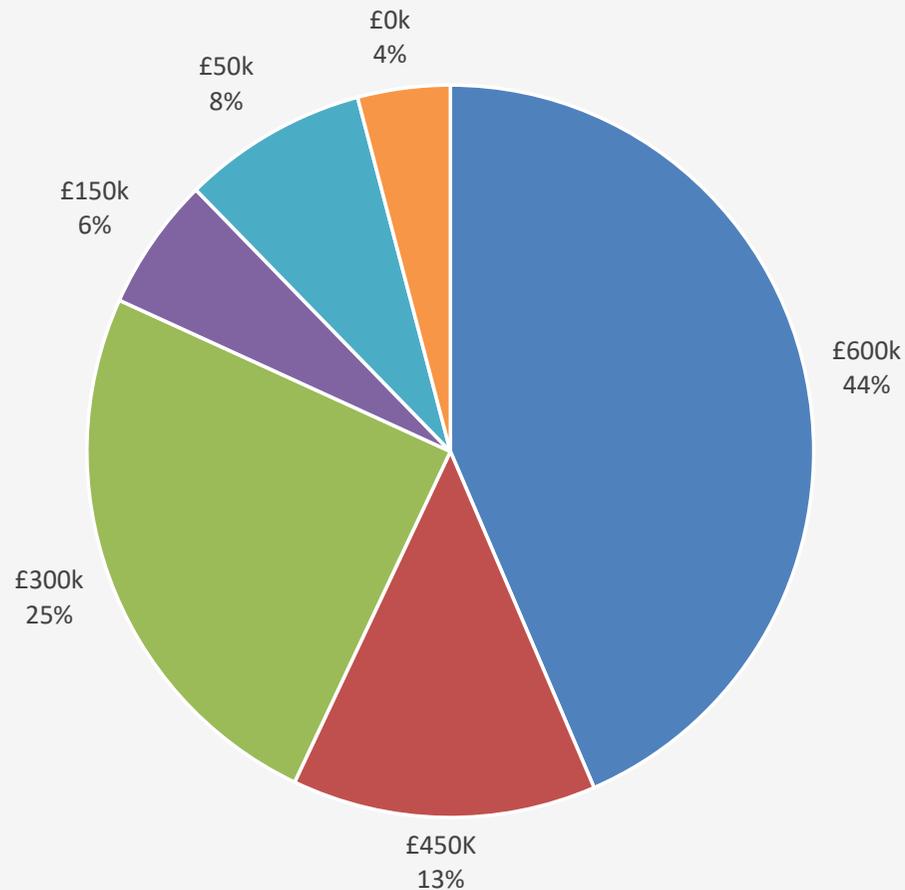
MGC is a golf club primarily not a large function venue and therefore a modest redecoration of the Hopwood Suite and 19h with new furniture and carpets would provide an appropriate modern space for members functions and society meals

“The precedent set by others that have refurbished has shown no additional value or asteroid improvement. Redecorate and ask a member to assess roof and electrics. No one will visit a golf course because they have a great clubhouse. They visit for the course....the idea of investing vast sums on anything except the course absurd and vanity projects. The changes last year to the patio area were excellent and to the benefit of golf. Manchester golf club has never had a thriving social membership due to location.

Clubhouse Refurbishment Budget



In your opinion what should the club spend on refurbishing the clubhouse?



- **Wide-ranging view of appropriate budget by members**
 - 7 day are similar to overall
- **Average across all is £409,117**
- **6 day would spend more**
- **Spending the total required budget is against the wishes of a small majority of members**

Row Labels	£0	£150k	£300k	£450k	£50k	£600k	Grand Total
5-day	9%	0%	45%	0%	9%	36%	100%
6-day	0%	8%	13%	21%	8%	50%	100%
7-day	5%	6%	24%	14%	8%	43%	100%
Country	0%	0%	100%	0%	0%	0%	100%
Junior	0%	0%	0%	0%	0%	100%	100%
Off Peak	0%	33%	33%	0%	0%	33%	100%
Social	0%	0%	40%	20%	20%	20%	100%
Grand Total	4%	6%	25%	14%	8%	43%	100%

Raising Finance



“Consider small levy towards the clubhouse. Even £150 for every member should raise about £70k”

“To help raise funds why not have a one off raffle for one life membership. Tickets could be sold at say £50 or even £100 each. restricted to members only..”

“I still think a great way to raise money is to fill in the hole to the right of the second path.... say you are flattening it out so that we have space for a tented village when we host a big tournament!! ”

“Two ways funds were raised in 60s and 70s were the 200 club and having sponsored competitions so that all entry monies went to club. Maybe reconsider trying these again.”

“I think a Levy of Members is also an option to still consider maybe £500”

“Will there be no surplus on the tipping to finance any clubhouse alterations?”

“The refurbishment of the clubhouse will depend upon the monies available. Insufficient information on how much will remain after the Academy project is complete and the revenue it will generate..”

“How much more would it require to build a new clubhouse at another location on the course with a view to create a two tee starts”

“Why go to extremes to raise money why don't you just borrow it, especially when money is so cheap with current interest rates at their current lowest level

“Will there be no surplus on the tipping to finance any clubhouse alterations? Will the standard of alterations be of a better standard than the window/door replacements carried out recently?”

“Could existing members do any of the work at cost with the option to get free membership(depending on value of work carried out)

“Is there a possibility of any grants from golfing/any bodies to assist with financing the proposed expenditure ”

“Couldn't the members lend money to the club? Paid back by fixed reduced green fees for 5 years?”

The Need for Commerciality



“We shouldn’t be going into major debt to support refurbishment that will not repay the capital quickly. The estimate for the work seems extremely high.

“£584k is a great deal of money, the initial spend of £8k was pointless and total waist of members hard earned cash. No matter how successful functions are over the next decade we will never recoup the money spent in refurbishment. Please think carefully before entering into a spend of this kind.”

“Membership is doing well at the moment but this may not always be the case. The investment must be prudent”

“MGC has spent 20yrs getting out of debt, now is not the time to spend large sums on large projects and debt laden our future.”

“Money should first be spent on the areas which will provide a commercial return. This splits the project in two leave the chapel 19th and snooker area to a second phase”

“any refurbishment relating to food delivery should be subject to prioritising the quality of the food on offer, which should be put right and functioning first to justify the associated spend, which itself should be justified on a business plan. Personally it is my view that franchising the kitchen should be fully reviewed with any associated spend being the risk of the operator”

“All funds spent in refurb should reflect on what returns can be expected / mixed lounge has the best prospect of returning revenue and the 19th simply serves as a an area for members / spend on mixed it needs it more.”

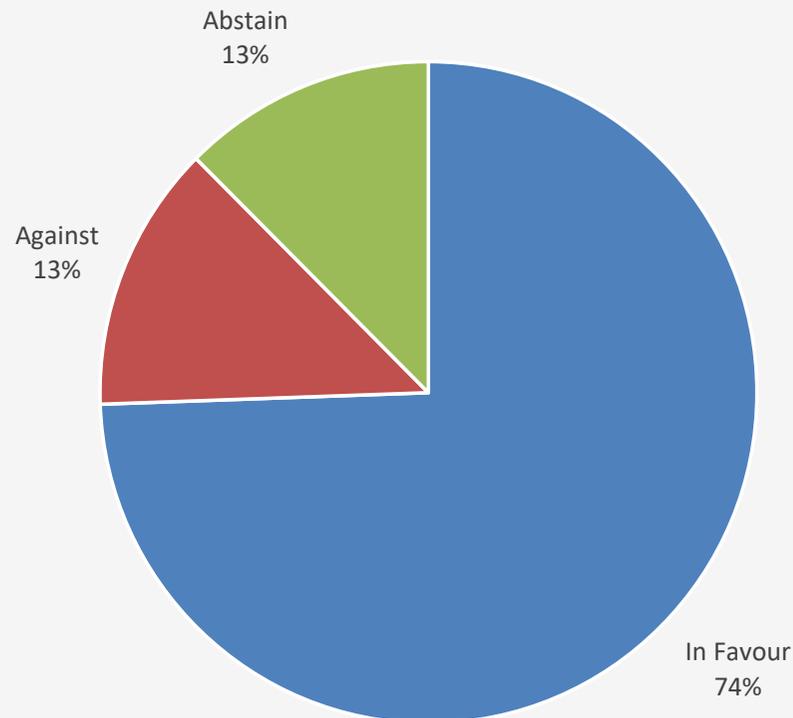
“Have we done any research into demand for weddings given the competitive market and many purpose built venues with accommodation. If the demand is not going to be there we should focus on reducing costs and attracting more golf or leisure activities other clubs have.”

“I had previously assumed it would be possible to allocate a sensible portion of the range monies to undertake the highest priority items first, and then chip away at the rest in a responsible way as the Club’s finances dictate. However, I was somewhat concerned to see that 37% (£111k) of the £300k range royalty is allocated to range bays and base – surely these costs should have been incorporated into the deal with Booth Ventures?”

10-Year Membership Option



Are you against or in favour of a limited number of 10-year Jubilee Memberships being made available to existing members to raise capital for refurbishing the clubhouse?



- **82% of members against the refurbishment are against 10-year memberships**
- **79% of members in favour of refurbishments are in favour of 10 year memberships**
 - Just 8% against
- **High proportion of 5, 6 & Junior members in favour**
 - 7-day are 72% in favour
- The verbatims suggest the reasons for being against are related to objection to the refurbishment, danger of 10-year being elitist & a preference for other finance (including Booth monies & paying our way)

10 year membership



"Have a 5 yr membership as well as 10, may be more appealing to older members."

"Has any consideration been made to perhaps an extra annual membership maybe a Platinum membership which could be offered at a higher price but offer benefits...example a number of free invitations or free fourball places, possibly parking spaces"

"I would be worried about committing to a 10 year membership . What would happen if for example you had health issues that prevented you playing golf."

"Understand the logic of the Jubilee Memberships but not convinced without an explanation of assessment criteria for allocation. If 25 places and 40 apply, how do you decide and demonstrate transparency?"

"Jubilee membership proposal requires further definition, acceptance criteria, equitable distribution etc. without that transparency I'm against such a proposal. With transparency it could become a proposal I'd support."

"As most disposable income is in the hands of retired members , what provisions are there in place in the event of a member going for 10yr option and then due to personal circumstance (I'll health , injury or worse) they can no longer access the benefit"

"I would like to know of the future membership cost impacts for non jubilee members. For example if a jubilee member has paid, what if prices for non jubilee rise?"

"Jubilee membership would be an elitist membership and goes against principle of equality in the sport"

"£15,000 is the approximate equivalent the present day fee with a year on year increase of 2%"

"Offer Jubilee membership at £10,000 as a real incentive.."

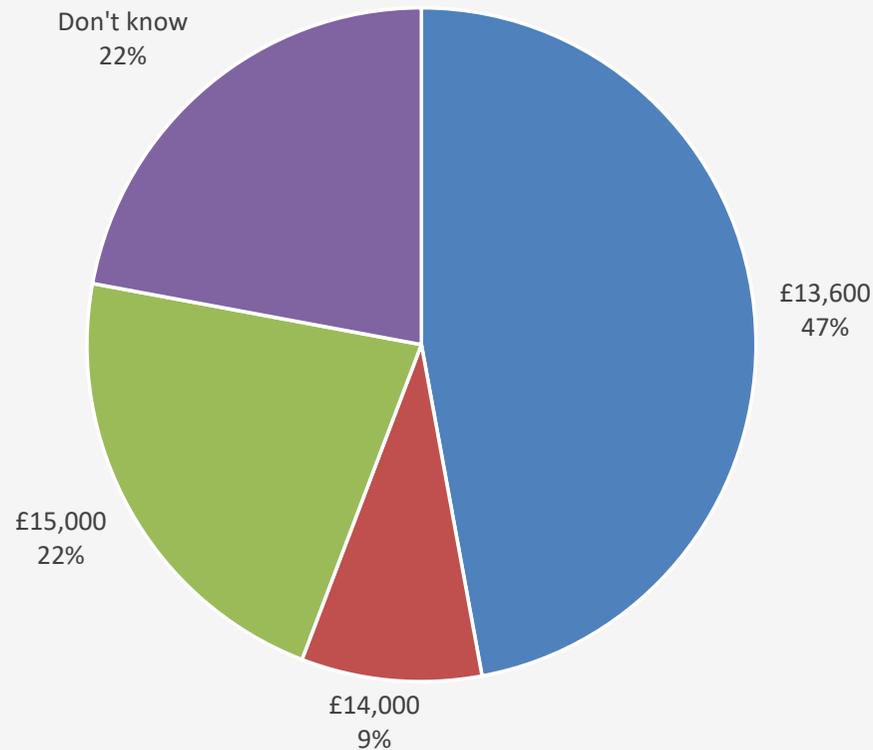
"I think the Jubilee membership is a great idea and the x10 pricing is fair based on the upfront commitment."

"I don't see how we can accurately set a 10 year subscription without risking either (i) a significant hole in the latter years with potentially little ability to rectify, or (ii) raising the subscription to a level which should cover costs under most eventualities, but meaning this reaches a level which makes it unattractive. I have seen instances of businesses going down this route and getting it badly wrong"

10-Year Membership Fees



What do you think is the fairest cost to members of this 10-year membership option?



- **Broad ranging views of the fairest fees**
- **Average fee if £14,042**
- **7-day are very similar to overall results**
- The verbatims suggest that a number of financially astute members recognise that £13,600 represents great value for money
- The verbatims suggest that 5-year option would be attractive to a segment of membership



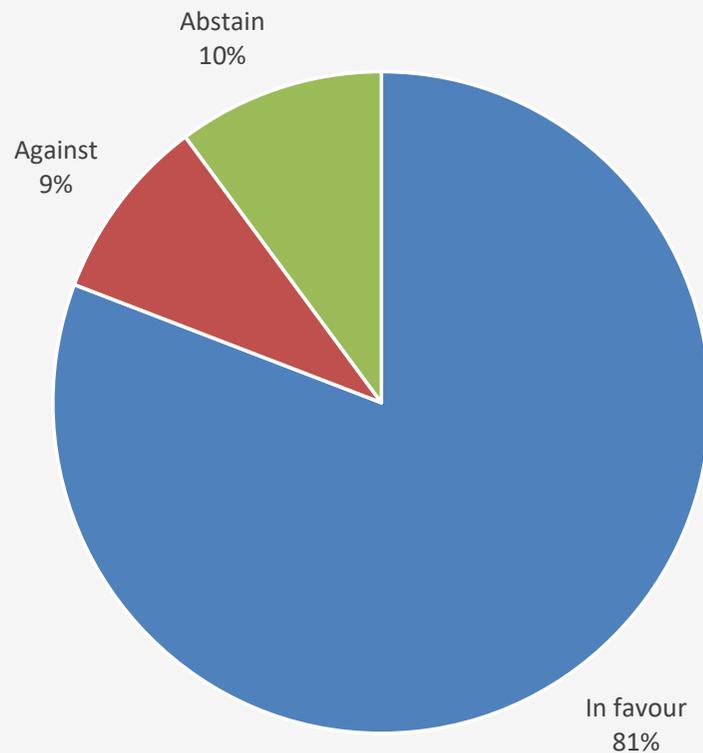
“Based on average 5% annual increase potential saving on an outlay of £13,600 would be £3,500...base the 10-year sum higher than 10x current sub, say £15,000, then the savings potential goes down and it becomes less appealing. If 20 members take up this option, we have £272K to spend & still have half the predicted surplus at year end, 30 members and we have £408K and are still in surplus. More than 30 and we need to generate profits from the clubhouse to keep us in surplus and have cash in hand.”

Member's Quote from Ballot

Jubilee Fund



Are you for or against the creation of a Jubilee Fund to give members the opportunity to make a donation to support the refurbishment of the clubhouse if they wish to do so?



- **64% of members against the refurbishment are against the Jubilee Fund**
- **85% of members in favour of refurbishments are in favour of the Jubilee Fund**
 - 5 day, 6 day, Country & Junior members above strongly in support
- **The verbatims suggest the reasons for being against are related to objection to the refurbishment & a preference for other finance (including levy, Booth monies, alternative financing & paying our way)**

Verbatims – Jubilee Fund



“If members wish to contribute to a general fund on a voluntary basis that is a different matter which I see no issue with, although clearly it is at people’s discretion and discretionary income is going to come under pressure over the next 12-18 months.”

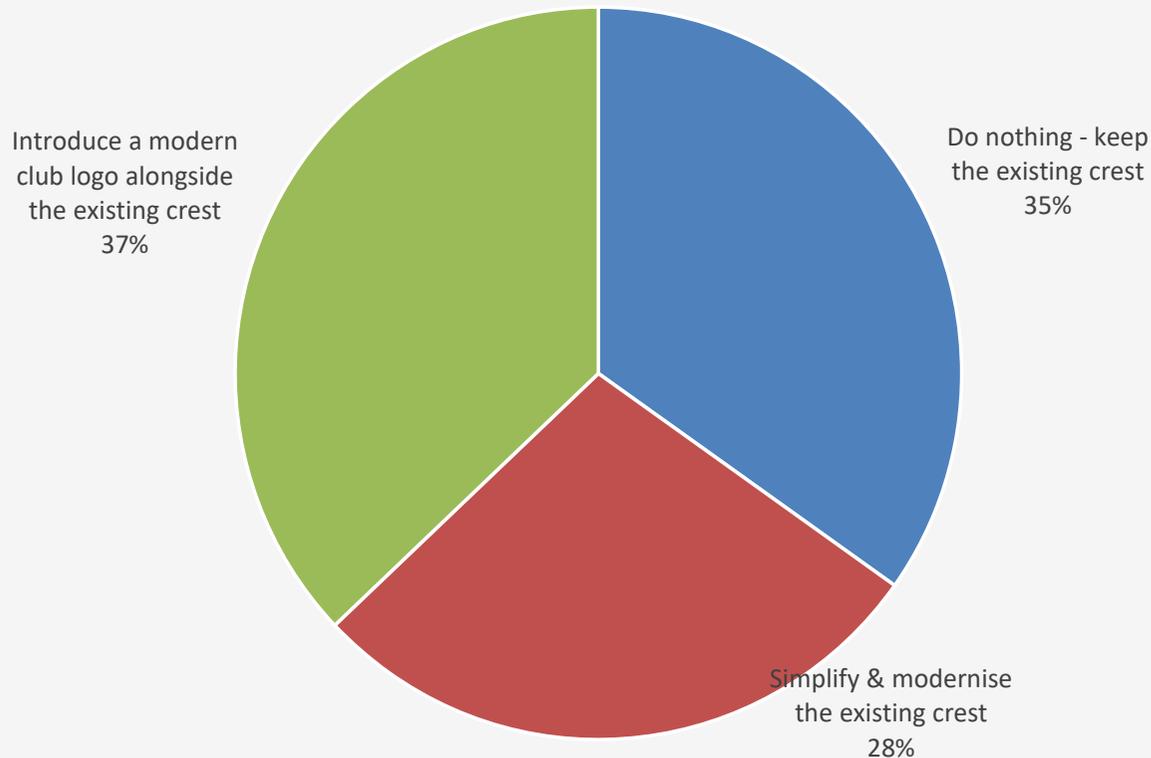
“I don’t think donors names should be displayed as some might see it as passive aggressive

“If members want to contribute money it should be seen as a donation and not elevate those people to some superior position”

Club Crest



Which of the following would you prefer?



- **82% of those against the refurbishment want to keep the existing crest**
- **Those in favour of the refurbishment mirror the overall results**
- **From an age perspective there are slight biases**
 - Under 20s would modernise crest
 - Over 75s would do nothing
 - Middle age groups are split
- **The verbatims suggest wide variety of views – which means it is harder to satisfy the majority than any of the other decisions**

Verbatims – The Crest & Logo



“Modernise the existing club crest (the original source is much clearer) and also use a modern logo where appropriate. Slightly different than options..”

“The club crest should be modernised.”

“I am in favour of a simplified club crest for the reasons given, I would state that none of the options offered seem suitable”

“Good idea to revamp the clubs crest , but let members decide”

“On the club crest - Option 2 With one of the stags ”

“Essential that the existing club crest is retained. If a suitable more modern logo can be developed for certain marketing requirements I don't see anything wrong with that..”

“I am in favour of maintaining our heritage, whilst modernising as well.”

“We maybe able to phase out the old club crest in time ”

“The crest would benefit from using the Red rose of Lancashire and may be the Hopwood cottage”

“Crest needs a minor revamp and should focus on burgundy colour which we have adopted as our signature colour ”

“It would have been useful to have shown how a traditional crest could be used alongside a modern one - the best example I have seen of this is Southport & Ainsdale”

“The proposed options for the crest look poor and cheap”

Funds spent on changing club crest can be better used currently. Change in future when Hopwood Suite refurbishment complete.

“I would like to see more options/colours/designs for modern club logo”

“I would strongly object to this being changed as all our history goes hand in hand with the crest”

“I think it would be a travesty to lose it and cost a lot to rebrand everything”

“The club crest is perfect as is, of course the original larger crest was more distinctive than the smaller one.”

“No idea why we feel a need to change the club crest, lets keep with the History of what we already have, we have ten deer on the course and we put it on the club badge”

“The crest represents our history - it should remain. We can modernise the club; the course should modernise; but the crest should remain - it stands the test of time”

“The City of Manchester would never consider changing the crest it's embodied in history and we should be proud to wear it..”

Verbatims - Council



“Congratulations and thank you for all the hard work in preparing this..”

“Keep going - you are going a great job. Thank you”

“The management structure of our club should be under serious review. The office of Captain as CEO and Chairman Council is too onerous.”

“Please provide a copy of the £584k plans & copies of the last 12 months council minutes.”

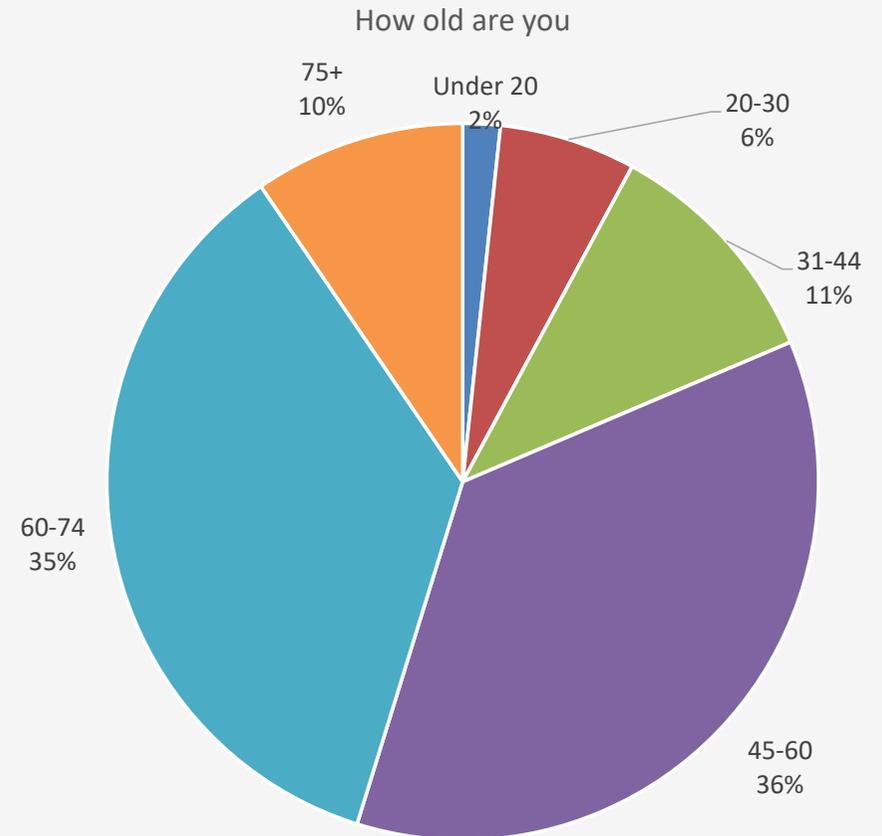
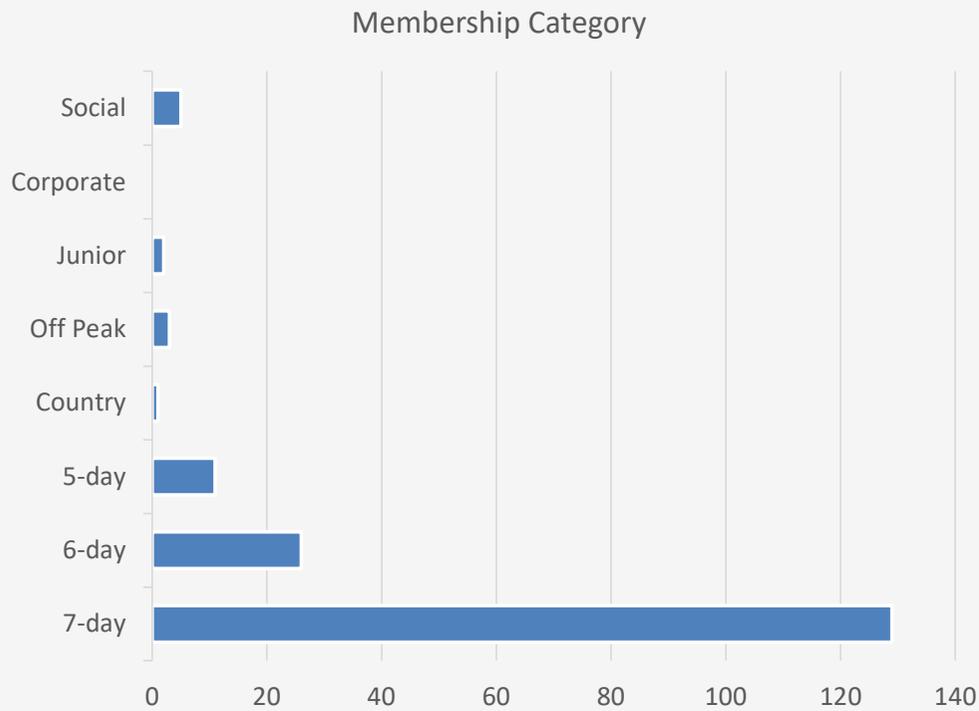
“thank you for the amount of work going into improving our club by yourself and council members, it is very easy to be critical when things happen you don't like but all too often we forget to praise people when they do good work.”

*“P*ss poor management”*

“As a long standing member of mgc I find it amazing that the club is in such a bad state. Unable to quote raise sufficient funding I find unbelievable with all that has been going on for the last 2 years. Perhaps maybe there has been too much functioning on grandeur and not the basics that have caused the problem. 10 year membership (really)”

“I feel more information about who will be overseeing the work from the council perspective and what experience do they have? What is the contingency plan should that council member resign/leave the club. What has happened to the money saved from furloughing the staff and the income from the range? How has this been managed?”

Demographics





“The main aim has to be to appeal to non-members wishing to hold functions as this is where we can generate more additional revenue. New bars are a luxury rather than necessity and product visibility is more for town centre bars with passing trade. Not sure bi-folding doors in the Hopwood suite would generate revenue.... we have a very good popular decking area outside already...remove the trophy cabinet [to] create more space for tables and therefore potential revenue. Even at the reduced expenditure bank loan would be a big risk in the current economic climate.

Member’s Quote from Ballot