



St Mellons Golf Club

Strategic Plan 2023

Golf Trends

The golf market has changed significantly in recent decades. Long term trends have been evident for some time but have only really been brought into focus since Covid and the economic crisis.

Market Trends

The principal market trends have been:

- Increase in the total number of golfers, decrease in club membership
- Increase in 'nomadic' golfers, decrease in 'core' golfers
- These trends have been concentrated largely in the 18 - 44 age bracket. If the US market is any reflection of the future of golf in the UK, then these trends will continue.

There are many stated causes of this shift in the market. Prominent amongst these are:

- Lifestyle changes
- General financial pressures
- Perceived unwelcoming and stuffy nature of many members golf clubs

As a result of these market dynamics, many member clubs are struggling financially and are finding it difficult to both retain members and also to recruit new members. Many clubs have been forced into administration with many more opening clubhouse facilities to non-members.

Background

Impact on St Mellons Golf Club

SMGC has not been immune to these market forces. To the extent that these forces are caused by demographic shifts, SMGC may be at a disadvantage

- Member numbers have not changed in the last decade
- Active Junior members almost non-existent in last 10 years
- A reluctance to raise fees in line with inflation in previous years resulted in a black hole in the account's year on year
- Financial reserves of the club eroded
- Income from joining fees has reduced to negligible levels.
- The competition for new members can also be seen in increased competition for visitor, bar and event income.

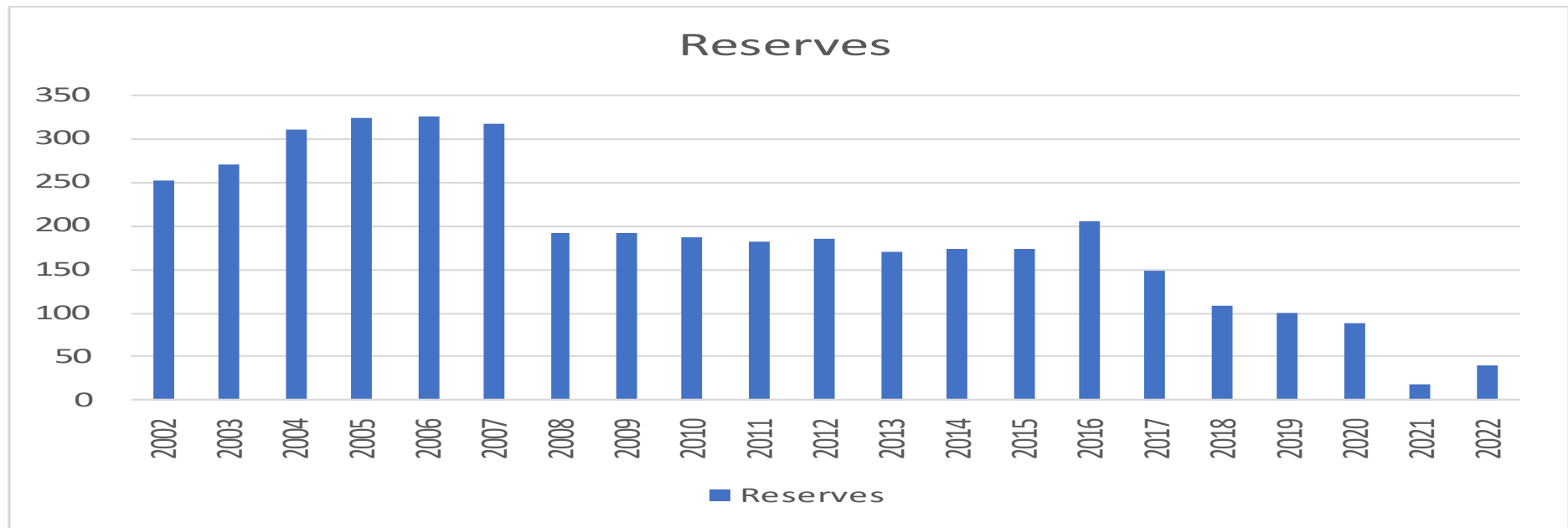
As a result, SMGC has experienced significant and unsustainable financial losses. What we can see in terms of profit and loss over the last 5 years is:

- 2021 profit £3,000 but this included the benefit of £121,000 grants and rates reduction. Also, the fee period was extended by 2 months and money added to the members cards
- 2020 loss £12,000 and we had the benefit of £88,000 grants and rates reductions
- 2019 loss £9,000
- 2018 loss £40,000
- 2017 loss £63,000

These results suggest we may have an underlying profitability issue with the club.

If we look over the longer period, we can see that over the last 15 years the financial reserves of the club have fallen from £300,000 to less than £40,000. See graph below, the figures are taken from our statutory accounts lodged with Companies House.

Background (cont)



Furthermore, SMGC has fared particularly badly coming out of Covid. The Bounce back loan (£50k) and Welsh Assembly Grant (£72k) has to be repaid at a rate of £34k per year to the Government and has to be factored into our future financial planning.

One other significant weakness has been our failure to attract visitors and grow our membership base. Green fee income has been 50% of our near competitors. In addition, we have been even less successful in attracting new members prepared to pay a joining fee. Membership has not grown in the last decade. With the Junior section non-existent average age has risen year on year.

We therefore need to accept that the operation of our golf club is in a different and more competitive market than the past.

Future

Implications for St Mellons Golf Club

Profits are required for maintenance and investment in the course and other facilities. Without maintenance and investment, the Club becomes less competitive in attracting and retaining members and visitors. This will result in a downward spiral.

Profits can only be generated through the cutting of costs or by increasing revenue. Although efficiency savings are important, they cannot, in themselves, counter the competitive challenges that we face. Cost cutting may / will produce financial results in the short term but will inevitably result in us becoming less competitive in the long term.

It is therefore imperative to increase revenue primarily through increased membership and green fee income in a sustainable way.

A substantial increase in membership numbers would make it harder for existing members to enter competitions and could make it harder to maintain the culture and values of the Club. Although full time membership numbers need to increase, it should be capped at 650.

Therefore, increased revenue must be-achieved by:

- Increasing Full time members by 20%
- Attracting an increasing number of visitors to the club but balancing this against the future number of full time members
- Ensuring greater use of Club facilities by existing members and societies

This vision and strategic plan have been set out to address these competitive issues within the framework of a traditional club.

Vision

Our vision is to:

- Create a first-class golfing experience from a well maintained course
- Provide a first class golf and clubhouse facilities
- Create and maintain a safe and welcoming environment
- Strive to maintain traditional values and to be a modern and forward-looking golf club
- Maintain a pro-active governance and management structure of all the clubs affairs
- Ensure the clubs long term financial viability
- Effectively communicate with members and embrace feedback

SWOT Analysis

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| <p>Strengths:</p> <ul style="list-style-type: none"> • Interesting and challenging golf course designed by Harry Colt • Well-maintained golf course • Park land course in good location between Cardiff and Newport • Loyal membership base • Proud history and identity • Modern management structure • Reputation of professional and coaching staff • Popular with visitors • Large clubhouse • Loyal staff | <p>Weaknesses:</p> <ul style="list-style-type: none"> • Financial performance year on year, reserves • Course attention to detail • Course bunkers • Course drainage resulting in frequent winter closures • Practice facilities • Winter mats • Bar and catering provision/service • Poor clubhouse décor and furnishings – bar and function room • Clubhouse under utilised • Lack of disabled access to course in winter • Ageing members, demographic base • Members lockers rooms and showers need updating |
| <p>Opportunities:</p> <ul style="list-style-type: none"> • Increase membership numbers • Increase visitor income • Improve quality of clubhouse to attract/retain members • Expand bar and increase use • Function room hire • Paths for winter disabled access • Grants available for selective improvements • Energy saving initiatives, solar panels etc • Increase brand value | <p>Threats:</p> <ul style="list-style-type: none"> • Member retention • Impact of transient golfers • Decline in golf as a sport • Competitor actions • Economic downturn • Further financial loss • Increasing costs • Staff retention • Climate change |

Key Objectives

The vision sets out the long-term aspirations of the Club. In order to achieve the vision, there are a number of key goals and objectives that need to be achieved.

These are:

- Legal compliance with Companies Act and relevant legislation
- Ensure the clubs long term financial viability – strong balance sheet, profits year on year to fund improvements and build our financial reserves
- Increase full paying membership to 650 over 5 years
- Improve the course to the highest affordable standard for members and guests
- Provide first class clubhouse facilities
- Communicate effectively and efficiently to all members

Key Objectives

Key Objective 1: Legal Compliance

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| Goal: To ensure that SMGC legally complies with current Government legislation |
| Context / Issues: Club Articles, rules and policies are required to meet gender, equality and other Government legislation |
| Action(s): |
| <p>Update the Club Rules for 2024 to address :</p> <ul style="list-style-type: none">• Equality issues and election of Club officials• Booking in system for Members Guests and Visitors <p>Policies and rules to be reviewed to include and not limited to :</p> <ul style="list-style-type: none">• Code of Conduct and Disciplinary Policy• Policies including Safeguarding, Data Protection, Equality and Diversity,• Health and Safety policy and general risk assessments• HR Policy• Safe Buggy Use• Fire risk assessment <p>Furthermore</p> <ul style="list-style-type: none">• Carry out annual audits• Ensure zero enforcement notices -Water abstraction by Natural Resources Wales, HSE and other regulatory authorities.• Maintain Food Hygiene rating of 4 or 5. |

Key Objectives

Key Objective 2: Increase year on year profits, strengthen balance sheet, good audit results

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| Goal: Develop and maintain robust and credible financial controls. |
| Context / Issues: Robust and credible monitoring of financial performance and other key performance indicators is paramount |
| Action(s): |
| System of Reporting: Improve quality of reporting systems to include - <ul style="list-style-type: none">• Monthly management profit and loss accounts• Key performance indicators reported on monthly basis• Enhance financial procedures and controls |
| Assets: <ul style="list-style-type: none">• Prepare an asset register of all plant and equipment |
| Explore funding opportunities to support course and clubhouse development to include: <ul style="list-style-type: none">• Wales Golf and Sports Wales grants• Members Loan Scheme• Energy grant schemes |

Key Objectives

Key Objective 3: Increase Membership

Goal: Increase full paying membership to 650 and develop a strong ladies and juniors sections

Context / Issues:

There are significant challenges regarding the increase in transient and nomadic golfers
Equality legislation compliance
Enhance the Ladies section representation
Membership to continue to be competitive
A healthy Junior section has been proven to replace older members

Action(s):

To grow the membership by 20 per year to a max of 650 full time in 5 years we need to -

- Provide value for money
- Continue to focus on New 2 Golf
- Grow the ladies section
- Grow the junior section
- Ensure junior members feel they belong to the club
- Provide St. Mellons branded clothing and encourage junior team league participation
- Grow the full playing adult membership categories by converting visitors and guests into future members
- Retain joining fee to ensure a sense of 'belonging' and protection against transient members
- Focus on courtesy, etiquette and dress code
- Promote easy-payment schemes to break down perceived financial barriers
- Develop a member retention policy

Key Objectives

Key Objective 4: Improve and maintain the course to the highest standard

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| Goal: To Provide a first-class golf course |
| Context / Issues: The principal issues to be addressed under this objective are those highlighted in the SWOT analysis. Building on the strengths: the quality of the course. Addressing the weaknesses (where possible): attention to detail, bunkers, practice area and winter conditions. |
| Action(s): |
| Develop a 5-year plan for course investment and improvement not limited to: <ul style="list-style-type: none">• Irrigation system – greens and tees• Renovate bunkers• Drainage improvements - identify wet areas on a drainage plan• Install all-weather path to create a 9-hole winter route• Enhance practice facilities• Trolley and shoe cleaning facilities to be relocated and updated• Improve signage around the course• To develop areas of interest- flora fauna and wildlife |
| Prepare a monthly routine course maintenance programme: <ul style="list-style-type: none">• Provide course maintenance staff with training to improve attention to detail• Review course maintenance staff duties and responsibilities• Review course maintenance staff performance |
| Provide first class customer service to members and visitors |
| Professional staff to be fully included in all Club employee customer service initiatives |

Key Objectives

Key Objective 5: Clubhouse Improvements

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| Goal: To establish and maintain a long-term investment plan for the clubhouse |
| Context / Issues: Major changes to the layout the Club will be expensive and can only be carried out over the long term. The clubhouse décor and furnishings are tired and do not provide first-class facilities for members and visitors. The sun terrace is small with tired furnishings. Bar and dining facilities are inadequate |
| Action(s): The long-term investment plan to include but not limited to: <ul style="list-style-type: none">• Refurbish function room and eagle bar• Re-furnish existing outdoor terrace and extend• Create balcony to first floor function room• Convert courtyard to function room• Refurbish showers and locker rooms• Improve access and facilities for disabled• Continue to improve catering facilities and offering• Improve preventative maintenance and end-of-life replacement• |

Key Objectives

Key Objective 6: Communicate effectively and efficiently to all members

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| Goal: Develop robust marketing and communications plan that retains existing members and identifies opportunities to grow revenues |
| Context / Issues: The external profile of the Club outside the immediate area is important to maintain the positive perception of the Club. Marketing of the Club in the past has been minimal. Effective communication is essential to create opportunities that will help to grow revenues and keep members informed. |
| Action(s): |
| Marketing of the Club: <ul style="list-style-type: none">• Engage services of BRS GolfNow to promote and sell green fees at rates agreed by the Board, ensuring SMGC brand is not under valued.• Look at opportunities to host major events• Ensure the clubs website is kept up to date with fees, offers, current news and events |
| The Members to be kept up to date with Board decisions, and initiatives: <ul style="list-style-type: none">• Maintain the weekly GM newsletter to provide members with updates and reminders• Maintain the monthly newsletter containing important news, events and Board decisions• Provide members with a 'Feedback' email address• Request regular input from the members• Develop and maintain external promotions |

5 Year Financial targets

| Income (£000's) | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|-------------|-------------|-------------|-------------|-------------|
| Membership Income -due to increased numbers and subs | 550 | 632 | 695 | 765 | 841 |
| Green fee income | 120 | 120 | 120 | 120 | 120 |
| Bar profit | 29 | 35 | 43 | 52 | 61 |
| Catering profit | -30 | -25 | -19 | -11 | -2 |
| Function room hire | 10 | 15 | 30 | 33 | 36 |
| Simulator and range | 4 | 26 | 29 | 32 | 35 |
| Total Income (not including grant aid) | 703 | 804 | 898 | 990 | 1092 |

| Expenditure | 2023 | 2024 | 2025 | 2026 | 2027 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| Course | 330 | 347 | 364 | 382 | 401 |
| Clubhouse | 150 | 218 | 229 | 240 | 252 |
| Administration | 170 | 179 | 187 | 197 | 207 |
| Depreciation | 10 | 15 | 20 | 20 | 40 |
| Total Expenditure: | 660 | 758 | 800 | 839 | 899 |

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| Projected Excess income - available for capital projects: | 43 | 46 | 98 | 151 | 192 |
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