

YELVERTON GOLF CLUB

Consultation Paper: “Managing the Club in the 21st Century” 9 November 2019

1. Introduction

In January 2019 a Board working group (Colin Nolan, Tim Douglas-Riley, Nick Holman and David Parlby) was established to consider how the Board should be composed and how the Club should be managed in future. A meeting was subsequently held on 28 October with a panel of selected members to discuss the ideas generated by the Board. The list of panel members is set out in Appendix I.

For the matters under consideration to be effected, changes to the current Articles of Association (AoA) and Rules of the Club need to be approved by the membership at a Special General Meeting (SGM). This has been arranged for 7pm Thursday 23 January 2020.

The Board first wants to consult further with the membership about the proposals, with this paper forming the basis for the consultation. To that end a meeting has been arranged for 7pm Thursday 21 November to which all members are invited. Members unable to attend the meeting will be able to offer their comments on the paper in writing. These need to be sent to Colin Nolan by 5.00pm Wednesday 20 November.

The Board will then table a number of proposals for approval by the membership at the SGM on 23 January 2020. The proposals will be published on Thursday 19 December. Members unable to attend the SGM will be able to cast their votes by proxy.

2. The vision for Yelverton Golf Club

In his presentation to members in October 2018 our General Manager (GM), Colin Nolan, set out a vision for the Club, which is to make Yelverton a Premier Golf Club in the South West of England. The Board believes this means that the Club will have the following characteristics:

- superbly presented Herbert Fowler moorland golf course together with a short course, chipping green, putting green, practice ground and indoor practice net;
- stunning Dartmoor setting with year-round golf;
- host to prestigious golfing events;
- vibrant golfing membership of all categories with thriving junior programme;
- highly respected golf professional with indoor golf fitting studio;
- homely clubhouse with good food and facilities, including ample immediately adjacent car parking;
- dedicated and professional staff;
- welcoming atmosphere;
- a sustainable financial position for the long term, resulting from a concerted programme of investment in the Club’s facilities.

3. Why do we need to change the structure?

While we have made good progress in the past 18 months, to fully achieve our vision the Board believes that a new, modern and efficient management structure needs to be put in place, supported by up-to-date technology and robust processes.

We are on the way to introducing the latter, but the fact remains that the GM role is constrained, if not compromised, by the continued existence of committees whose remit is predominantly operational. We currently have six committees: Greens, House, Infrastructure, Marketing, Captain's and Handicap & Competitions. A considerable portion of GM time is spent attending meetings of these committees, taking notes and writing up formal minutes. Many of the decisions taken by these committees could be made much more quickly and efficiently by the GM individually or having consulted briefly with appropriately skilled and informed individuals. This would also enable the GM to spend the time saved on other activities, creating a further round of efficiency improvement.

Through the existing AoA, the Board's composition is largely set by the Chairs of these committees. The current situation is something of a hangover from the days when the Club was run on very traditional lines and has not been updated to take account of the move first to a Management Committee and then to a Board running a limited company. (In the latter regard, as recommended by England Golf, the Club is owned by the members who elect the Board to run the Club on their behalf).

This means that our Board comprises individuals who have volunteered to carry out specific operational activities and find themselves on the Board which requires a strategic approach taking a long-term view of the business. While not necessarily incompatible, and absolutely not disrespectful of the current Board, this "bottom-up" approach of constructing the Board is probably inconsistent with securing the strongest Board at our disposal. A more "top-down" approach is needed to ensure that people with the right Board competencies become directors.

In the 21st century YGC needs to operate as a successful business in order to be a successful golf club. Therefore YGC should be organised and run primarily as a business and move on from much of the committee structure that was set up in the days when it was relatively easy to run a golf club successfully.

4. The proposed new structure

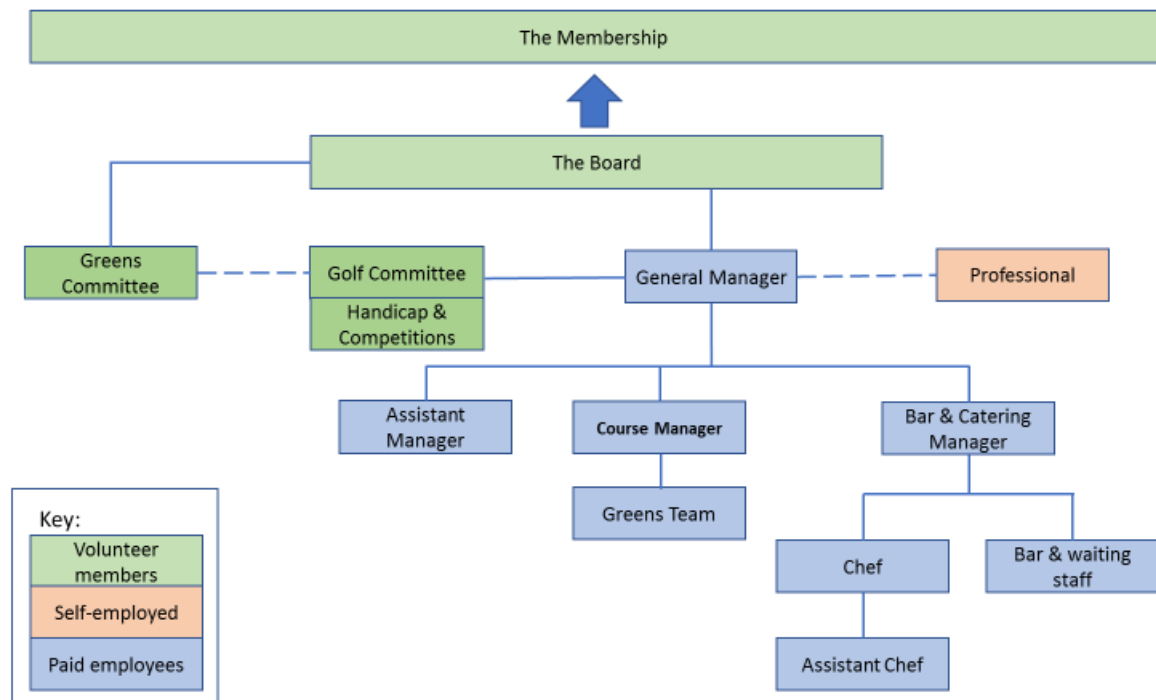
Figure 1 below sets out the proposed new structure in which:

- a) the three committees which do not have a specific focus on golf (House, Infrastructure and Marketing) are abolished and their functions are taken on by the GM, working with Board directors as appropriate;
- b) the Captain's Committee is renamed as the Golf Committee and continues to be chaired by the Club Captain. Its remit and membership would be set by the Board to ensure consistency from year to year. The remit would include competitions, handicaps and club

matches. Its members would include the Vice-Captain, the Lady Captain, the Vets Captain, Juniors Organiser, Professional and other individuals who are well connected with the various formal and informal sections of the Club. In order to integrate the work of the Golf Committee into the Club as a whole, and to be consistent with the overall operation of the Club it reports to the GM. Any Golf Committee matters needing to come to the Board's attention can be tabled by the GM and/or Captain as regular attendees at Board meetings (see 5. below);

- c) the Handicap & Competitions Committee (H&CC) continues as now and reports to the Golf Committee. However, the Chair of the H&CC would be appointed annually by the Board upon the GM's recommendation rather than elected by the membership. This better reflects the requirement set by England Golf for the H&CC to be run by an individual who has a thorough knowledge of handicap and competition procedures and requirements. Proposed members of the H&CC would be recommended by the Chair of the H&CC and GM for approval by the Golf Committee;
- d) the Greens Committee continues as now but with the formal recognition that it reports to the Board on account of having to deal with quite sizeable and frequent requests for capital expenditure on machinery. It would continue to be chaired by a Board director, with the GM, Course Manager and Professional being members of the committee. Other proposed members of the committee, if needed for specific projects, would be recommended by the Chair of Greens and GM for approval by the Board;
- e) the Professional is an integral part of the team but by necessity owing to the contractual arrangements, operates on a dotted line basis to the GM;
- f) the GM is in effect is the Club's Chief Executive and is therefore responsible for all operational aspects of the business: Health & Safety, Finance, HR, IT, Marketing, Sales (membership recruitment, green fees and societies), house maintenance and repairs, bar & catering, customer service, company administration and golf operations. These activities are largely carried out by the Club's paid employees, with support as needed from third-parties or volunteer members with specialist skills. An additional role which is possibly unique to a golf club is that the GM is also responsible for managing the membership disciplinary process.
- g) the GM's overall direction of travel is set by the Board which is responsible for setting strategy and ensuring that the business is financially viable;
- h) the GM's line manager is the Chair of the Board.

Figure 1: Proposed new structure



5. The Board

The Board's composition is driven by the Articles of Association (AoA) which states that the directors are the Chairs of the Marketing, House, Infrastructure and Greens committees, the Captain, the Lady Captain, the Finance Director and the Chairman. With three of these committees abolished under the proposals, the AoA and the Rules of the Club need to be modified to provide a new Board composition.

It is proposed that:

- the Board comprises up to twelve directors;
- Board directors are elected by the membership;
- the Club Captain is separately elected by the membership.
- the Captain attends Board meetings. Before the start of their tenure the Captain elects to do so either as a director with full voting rights or as an observer without voting rights;
- if the Captain decides to become a director, the maximum number of directors elected by the membership reduces to eleven;
- any member of the Club may stand for election as a director provided that they have been a member for at least one year and are aged over 18;

- g) non-members cannot be Board directors;
- h) directors should each be responsible for a specific area of activity within the club, working in tandem with the GM. When standing for election, candidate directors are expected to issue a personal statement indicating how they would qualify for the role which they seek to take on. The full set of proposed director roles are set out in Appendix II. Further work needs to be done on agreeing the skills and experience ideally required for each role;
- i) Board directors are elected for a term of three years and can serve a maximum of two terms (ie six years in total). Periods served as a Board director since the formation of the company in 2018 count towards the six year maximum;
- j) as now, Board directors would not receive any financial remuneration or other benefits from the Club;
- k) Board meetings are attended by the GM who is not a director.

These arrangements would give more members the opportunity to become directly involved in running the club at a strategic level while having more directors qualified for specific roles. They would also significantly strengthen the capability of the Board.

6. Implications for Members

Under the current AoA and Rules, members:

- a) elect the directors, the President, Vice-Presidents, Captain and Lady Captain;
- b) approve changes to the Articles of Association and the Rules of the Club;
- c) approve the appointment of auditors;
- d) approve the annual accounts;
- e) can submit proposals to General Meetings for resolution;
- f) vote on General Meeting resolutions put forward by the Board;
- g) approve proposals for the Club to borrow money;
- h) agree increases in the annual subscription;
- i) decide whether joining fees should be applied to new members;
- j) can object to candidates proposed for membership.

The majority of these are typical of the rights of company shareholders and are entirely appropriate. However items g) to j) are much more to do with being a members' club and are inconsistent with the optimal way to run the business. From a purely business perspective it does not make sense for the membership to decide upon these matters. However the Board recognises that YGC is very much a members' club and wants to ensure that this continues in the future. It is therefore proposed to modify members' voting powers in the AoA as follows:

- i. under a) above the Lady Captain will no longer be elected by the membership but instead by members of the Ladies section. This change reflects the proposal that the Lady Captain will not in future be a member of the Board;
- ii. under a) above the role of Vice-President will be abolished as this is now thought to be unnecessary;

iii. voting rights under g), i) and j) above will be withdrawn:

- now that the Club is a limited company and members' individual liability is restricted to £10, the need for members to be involved in borrowing decisions has all but disappeared;
- while the Club has not charged joining fees for some years now, doing so is the hallmark of a premier club and would provide welcome additional income. Again this is felt to be a business decision and one that should be left to the Board;
- recruiting new members is key to the success of the Club. Under the current rules it can take several weeks for a new member to join which is potentially off-putting. The Board is confident that the process of the GM interviewing candidates and conducting background checks is more than sufficient to protect the integrity and reputation of the club.

iv. the voting right relating to subscriptions under h) above will be modified to future proof the principle of the current position recently approved by the membership which is that annual subscriptions can be increased by up to 5% without recourse to the membership. Therefore it is proposed that every three years members will vote on the Board's proposal that annual subscriptions can increase by up to a certain percentage for a three-year period. Proposed increases beyond that threshold must be voted on by the membership.

7. Transitional arrangements

Assuming that the Board's proposals are approved by the membership at the January SGM, the updated AoA and Rules will apply with immediate effect. In practice the first noticeable change will be in the run up to the Club's AGM due to be held in March 2020.

The Board currently comprises eight directors including the Captain and Lady Captain. The latter two directors will be stepping down at the next AGM as they come to the end of their tenure, leaving six directors who have previously been elected by the membership. It is intended that one third of these directors (ie two) will step down and, subject to the maximum term of office provision, may offer themselves for re-election at the AGM.

The remaining directors will as far as possible each be assigned one of the roles set out in Appendix II. This will leave a number of vacant roles to be filled. These will be advertised to the membership together with a summary of the skills and experience required. Members will be invited to stand for election for one or more specific roles. Those accepting the invitation will be expected to write a personal statement published to the membership setting out how they meet the requirements for being a director and for the specified role(s). The membership will then cast their votes for each director candidate at the AGM.

As part of the transitional arrangements it is proposed that the Board will also oversee the development and agreement of a new process to appoint the Club Captain, to come into effect for the Captaincy for the period 2021/22. This will include formally defining the role of both the

Captain and the Vice-Captain. This is intended to correct the current situation whereby there is no formally documented process for selecting candidates for the Captaincy other than the election of the Captain by the membership at the AGM.

8. Next steps

To move to a new AoA and set of Rules the following steps need to be taken:

- a) consultation on this paper to be held with members on 21 November;
- b) the Board takes consultation comments into account in recommending proposals to be tabled to the membership;
- c) the Board prepares up-dated Articles of Association and Rules of the Club;
- d) the Board will also update the Bye Laws of the Club, to take account of the changes in the AoA and the Rules. However, changes to the Bye Laws do not require membership approval.
- e) the proposals will be tabled for approval by the membership at the Special General Meeting to be held on 23 January 2020.

9. Conclusion

These proposals to change the management structure and the way the Club is run have only one aim: namely to take Yelverton Golf Club forward as an efficient, viable and sustainable golf club of which members can be proud. Failure to embrace these changes could have significant adverse implications for the Club's future.

In developing the proposals so far the Board has consulted with a sizeable number of individuals who collectively have had extensive experience in the running of the club previously and in running golf clubs elsewhere. It has been pleasing that this group overall has swiftly agreed with the content of this consultation paper, indicating that the proposals are very much on the right track. The Board now looks to the membership to help refine the proposals further such that the whole Club can move forward together.

Appendix I – Members of the consultation panel

Paul Creaven

David Hyslop

John Lucas

Phil Millar

Clive O’Sullivan

David O’Sullivan

Noel Preston-Jones

Angela Read

George Rumbold

Frank Thomas

Appendix II –Board director roles

1. Being director of a company entails a number of legal duties. These can be found at:
<http://www.legislation.gov.uk/ukpga/2006/46/part/10/chapter/2/crossheading/the-general-duties>
2. As a result we expect all YGC Board directors to possess the following characteristics:
 - a. determination to see the Club succeed in the long term, putting Club objectives ahead of personal aspirations and preferences
 - b. ability to think strategically and take the long view
 - c. be conscientious in applying the Club's Articles of Association and Rules
 - d. debate matters dispassionately taking account of a range of different views
 - e. possess strong inter-personal and communications skills
 - f. commitment to attending Board and sub-committee meetings and to following up on assigned tasks
3. Board roles
 - a. Chair
 - b. Finance Director
 - c. Chair of Greens Committee
 - d. Strategic planning and risk management
 - e. Marketing, PR and membership communications
 - f. 2 x 'General directors'
 - g. Facilities management
 - h. Health & safety
 - i. HR
 - j. IT
 - k. Catering & hospitality