

**Minutes of the Finance Sub Committee Meeting held in the CGLMC Limited Office at
20 Links Parade on Monday 3rd April 2017**

Present: G Murray (Finance Convenor), P Sawers, T Healey, A McKeown, A McColgan, J McLeish, K Fraser, C Yule, D Cheape

In Attendance: G Duncan (General Manager), D McDonald (Finance Manager), S Cartwright (Henderson Loggie)

The meeting began at 1900 hours.

1. Apologies

There were no apologies.

2. Declaration of Interest

There were no declarations of interest.

G Murray introduced S Cartwright of Henderson Loggie and welcomed him to the meeting.

3. Income and Expenditure

D McDonald explained that the Income and Expenditure information was provided in a more abbreviated format, which was intended to reflect the views of the Trustees following the February Finance Sub-committee meeting.

D McDonald said the surplus remained ahead of budget, with expenditure running just over the budget figure.

A McKeown asked if the Miscellaneous Expenditure could be broken down, as the figure was significant. G Murray said this would be done.

D Cheape asked if more detail could be provided in each of the categories. P Sawers explained that previous meetings of the sub-committee had been concerned about receiving too much detail. The format provided was an attempt to deliver the correct amount of information to allow the sub-committee to carry out the necessary scrutiny.

G Murray said he would take the views on board and review the layout provided to see if the correct balance could be found.

D McDonald explained that the Carnoustie Golf Links Ltd (Pro Shop) figures showed a healthy surplus well ahead the budget.

4. 2017/18 Budget

G Murray referred the committee to the budget papers for both CGLMC Ltd and Carnoustie Golf Links Ltd. D Cheape asked if there was a breakdown of each of the categories. D McDonald said there was a breakdown, and it was agreed this should be copied to all Trustees.

D Cheape asked about the community donations and whether there was flexibility in the figure. G Duncan said the overall amount paid would depend upon the requests which were received, rather than the budget figure. The budget figure was the amount paid out in the last financial year plus inflation. A McKeown said he accepted this, but pointed out the committee members had previously expressed concern about the budget and actual figures not being in sync.

D Cheape asked about the commission paid to the Carnoustie Hotel, but said he would obtain the information later rather than hold up the meeting.

D Cheape asked about the capital budget. G Murray explained that the greenkeeping equipment was approved on a 3 year cycle and therefore did not come before the Finance sub-committee every year.

As there were no further questions, G Murray said the budgets would go forward for approval by the full Board.

5. IT Project – Bookings and Secure Payment System

C Yule referred to the board report and said this was an essential update which would improve the booking system and provide a much better service to our customers, as well as providing significant security benefits and ensuring CGLMC Ltd is fully compliant with the legal requirements of handling credit card payments. S Cartwright said new data protection legislation would come into force next April which would require organisations to comply by that date. C Yule said he understood the possible cash flow issues in relation to the Golf Centre extension and therefore he accepted that the timing of this project was up for debate. However, he concluded by saying that, in his view, this project was something which had to happen.

P Sawers said she would like to see more details about “off the shelf” products which might prove suitable. This concern was echoed by several members of the committee who were uneasy about relying so much on a bespoke product.

Following discussion, it was agreed that a comprehensive IT review was required, which would include this project, but also encompass the hardware and software requirements of each of the four main departments. The intention should be to provide as much of an integrated system as possible. It was agreed that, in the first instance, a report detailing the IT requirements of each of the four departments should be provided to the Trustees. T Healey said it would be of interest to find out the systems that were in use at other major venues. The report should be available for the Trustees in 4 to 6 weeks. The committee agreed that an IT specialist company would be required to take the initial report and establish a detailed solution for the Trustees to consider.

P Sawers said it was very important that the requirements of CGLMC Ltd were properly spelt out, as IT projects had a habit of expanding out of control.

S Cartwright said it was no longer a requirement for an organisation to have their own servers, as these could be provided very reliably by specialist firms.

6. Visitor Greenfees

G Duncan explained the proposals which were detailed in the report provided by the Golf Services Manager. T Healey said he was concerned about making the VAT inclusive for the tour operators, as he did not think it was correct to be giving the tour operators a 20% discount. C Yule said he felt this was the wrong way to view the proposal. He regarded it as looking after our best customers.

A McKeown said he felt he was unable to make a decision on a report which covered only the Championship greenfee. He said it was essential that a full marketing strategy be presented to the Trustees. He further explained that this needed to cover all times on the Championship course, especially those which were shown to be unused. He said the responsibility of the Trustees was to make the best decisions for Carnoustie Golf Links at all times and that we were not marketing the Championship Course in the most effective way. A McColgan said he disagreed with this position because, in his view, it was not the job of Carnoustie Golf Links to maximise income.

G Murray said it was the responsibility of the Links to manage the courses for all golfers, regardless of whether they were visitors, club members or season ticket holders.

A McKeown said he understood the challenges, but he repeated his view that the implementation of a properly detailed and strategic marketing plan which produced the best outcome for Carnoustie Golf Links was essential. He also said there was little point instructing that such a plan be drawn up by staff and consultants, if the Trustees were simply going to reject it as not acceptable.

P Sawers made the point that there would be a maximum numbers of rounds which the Links Superintendent would consider that the course could handle, and that this could vary from month to month.

K Fraser said that any report should consider whether to re-schedule the Crows Nest Tassie. Following further discussion, it was agreed this matter would be referred to the Full Board.

6. Landscape Character Assessment

Following discussion, it was agreed to recommend that the Landscape Character Assessment proposal, as described in the report, should be accepted.

7. Annual Audit

D McDonald said the annual stock take had taken place on March 31, 2017. The audit would be undertaken week commencing May 22, 2017, with the draft accounts being available at the beginning of July.

P Sawers reminded the committee that the Trustees wished to put the audit out to tender and G Murray confirmed this would be done.

There being no further business the meeting closed at 2030 hours.