

Minutes of the CGLMC Ltd Full Meeting Held via Video Link on Monday 13th December 2021

Present: C Yule (Chairman), I Frier, L Gordon, D Cheape, R Wardlaw, A McColgan, P Sawers, D Cavellini, B Myles, G Murray, K Daly

In Attendance: M Wells (Chief Executive), A Simpson (Deputy Chief Executive), T Riley (HR Manager), C Boath (Links Superintendent), L Mirrey (Head of Customer Experience)

The meeting began at 1730 hours.

1. Apologies

M Armstrong, J McLeish, A McArtney

2. Any Additional Agenda Items

None.

3. Declaration of Interest

None.

4. Chief Executive's Report

The Chief Executive assumed his report as read by the board of trustees, but highlighted several areas, including a short appraisal of each of the emerging business goals for 2022/23. This prompted a period of discussion among the board. Specific items have been captured below.

A trustee prompted a discussion around potential future areas for business diversification, including long-drive competitions, giving the growing popularity in this format of the sport. He also highlighted a requirement to look at range length in-line with any requirements from major Championship golf at Carnoustie. The Chief Executive welcomed the feedback, which aligned with the emerging business objectives to grow and diversify the business, in addition to meeting requirements to hold major golf competitions. He added that there are also other formats of the sport that we need to understand and scope as potential additions to facilities at Carnoustie, such as simulator golf and on-line gaming opportunities. It was agreed that areas such as this are well understood by the executive. The Chief Executive

invited the trustee to discuss any of these operational matters in more detail outside of the meeting.

A trustee recommended that the board should hold a strategic day for the board of trustees, as and when possible (Covid restrictions permitting). The board agreed that a strategic / board development day would be welcome. The Chief Executive will discuss this in more detail and come back to the board of trustees in due course with some options.

A trustee welcomed the emerging business objective for CGLMC to become carbon positive, recommending that CGLMC look at a solution to fill 1st tee to fill up water bottles, to reduce plastic use. The Chief Executive intimated that the pending irrigation project, has provisioned for potable water to be available at every tee on the championship course. He was also hopeful that a solution could also be incorporated for the Burnside and Buddon. He added that projects such as this contextualized well with CGLMC's strategy to partner with likeminded organisations from a sustainability perspective. This is an area where operational ideas to enhance the provision and service to customers is well developed.

A trustee enquired of there was a plan for when Juniors turn 18 or if there was an Elite program as mentioned. The Chief Executive confirmed that the golf development team were looking to add to the golf development programme, and this included the provision of an enhanced elite program to be defined and developed. Furthermore, a pathway/apprenticeship program to grow and develop further and leverage our brand to facilitate and increase our participation objective as a charity is well underway. The Chief Executive agreed to bring back further information on this project as it develops.

Irrigation

A trustee asked if the 15% price increase is to be expected and if it was a concern. The Chief Executive clarified that the 15% rise was for pipework only. It was agreed that it was prudent to accommodate this cost rise rather than commit the business to the entire project (phase one) cost before the 2022 visitor market is understood.

Community Benefits

The Community Benefits Convener highlighted that it had been some time since we have been able to support the community and asked if it was affordable to put some funds back in the Community Benefits program before the end of the financial year. The Chief Executive confirmed that he and the Finance Director had discussed this and were happy to recommend that £25,000 be injected into the program to cover the period up to 31st March 2022.

After discussion, this was agreed by the Finance Convener G Murray and the rest of the board of trustees, on the basis that it remained affordable at the time of writing cheques, due to the continued uncertainty of international travel and the effect of CGLMC's revenues.

Capital Expenditure Projects

A trustee thanked the Chief Executive for covering potential areas of improvement to the organisation's infrastructure, specifically work being scoped with exhibition and design company Mather & Co, adding that he felt we needed to match our peer group such as Turnberry and Royal Liverpool for example. He also asked when the Buddon will be back to 18 holes and the restoration complete. The Links Superintendent confirmed that the project team will start to pull cables from offshore imminently, which required a winch which is currently situated in front of the 17th tee. He anticipates that work will be completed in June, although there is a chance that 18 holes will be available before this time. He added that the CGLMC greenkeeping team were preparing to re-turf the 14th & 15th holes of the Buddon in time for the start of the season.

A couple of other items were discussed and these are contained within a confidential minute.

5. Decision Papers

5.1. Budget 2022/23

The Deputy Chief Executive provided context around the proposed budget 2022/2023, which had been recommended by the finance sub-committee for approval by the board of trustees.

A trustees asked about the booking situation for late June, early July when The Open is being held at St Andrews. The Deputy Chief Executive stated that the numbers are higher than they have ever been. However, our target is slightly higher than that. CGLMC have a good number of confirmed bookings, but have a stretch target of 26,500 visitor rounds for the year. He confirmed that the gap is probably biggest in June and July.

A trustee challenged that the finance sub-committee had not approved a the budgeted inflationary rise for salaries in 2022/23 which had been brought to the full board for approval. After some discussion, The Deputy Chief Executive confirmed that this would be re-presented to the full board closer to the start of the new financial year so that it could be re-evaluated against market conditions.

A trustee questioned the draft finance sub-committee minutes, raising that the sub-committee had recommended that ADHOC payments be removed from the executive's budget and should be submitted to the board on a case-by-case basis, adding that the finance sub-committee had only approved an additional Ad hoc spend within Golf Development had come from Seagreen monies. The Deputy Chief Executive argued that which this was not supported by the executive, but that the minutes supported that position.

The trustees approved;

- i) The Budget 2022/23 as described within the board paper.

5.2. Tournament Prices 2022

The trustees approved;

- i) The Tournament prices for 2022 as described within the board paper.

Approved: P Sawers

Seconded: G Murray

5.3. Tassie 2022 - Course Change

The Tournament Convenor covered the necessary course change for the Crows Nest Tassie in 2022- due to the ongoing Seagreen project. She also stated that communications to Season Ticket Holders would be required.

The trustees approved;

- i) The Tassie 2022 course changes as described within the board paper and that this be communicated as appropriate to stakeholders.

Approved: P Sawers

Seconded: G Murray

6. Health & Safety

Items were covered within the CE report.

7. Risk Register

The Chief Executive recommended that a working group be established in the new year to review and update the risk register, including an assessment of work done to date by CGLMC staff.

This was agreed.

8. Companies House Matters

The Chief Executive stated that the resignation of K Fraser had been logged with Companies House and once the details were completed of the oncoming trustee, S Duncan, would be registered as the latest CGLMC Ltd Director.

9. Approval of CGLMC Ltd Board Minutes of 20th September 2021

Approved: K Daly

Seconded: L Gordon

10. Greens & Environment Business

The Chief Executive summarised a point made by a trustee regarding making the 12th & 14th of the Championship course par 5's and confirmed that this was being looked at by the Head Professional and Scottish Golf and a discussion will be brought back to the Greens Sub-Committee. He also appraised a discussion regarding more use of the Hogan Tees on the Championship course, and suggested that an event could be created to be played in 2023 as part of the 70th anniversary of Ben Hogan winning the Open, to create a one-off event. It was agreed that ideas should be brought back to the board on this in due course.

The Chairman asked for an update on the minimum 3 balls and how it had been received. The Deputy Chief Executive appraised the board that the trial period had been a success, with only limited negative reaction. It will continue to be monitored but remain unchanged at the current time.

10.1. Approval of Greens & Environment Minutes 29th November 2021

Amendment

A trustee asked for an amendment to page 81 last paragraph, end of 1st sentence to add 'after all three courses to provide guidance information for the STH review piece.'

Approved: L Gordon

Seconded: R Wardlaw

11. Finance Business

11.1. Finance Director Executive Report

The Deputy Chief Executive went over the executive report with no further questions from the Trustees.

11.2. Approval of Finance Minutes of 1st December 2021

Approved: D Cavellini

Seconded: D Cheape

11.3. Matters Arising Therefrom

A trustee asked for an amendment to page 88, for avoidance of doubt, finance sub-committee, approval of recommended salary inflation, wouldn't be agreed until nearer the start of the new financial year, subject to CPI and what was affordable and right at that time.

The trustees confirmed that no agreement had been made in relation to inflationary increases to staff salaries and this will be reviewed in March 2022 (amendment to page 88).

12. Tournament Business

12.1. Approval of Tournament Minutes of 2nd November 2021

Approved: K Daly

Seconded: I Frier

11. Community Benefits Business

The Community Benefits Convenor confirmed that he would circulate an email to the community benefits sub-committee on matters discussed above.

The Chairman thanked and commended the staff for their hard work over the last year and there being no further business the meeting closed at 1935 hours.