

Questions from Members Consultation Sessions at Stressholme November 2012

BGGC indicates where answers have been provided by Blackwell Grange Golf Club

1. Q. Why weren't we consulted with before now? Why wait until the deal has gone through before having this consultation?

A. There has been a sequence of events, first was the Councils Cabinet Report to get an in principle agreement to explore the Blackwell option. Blackwell then had to vote first to see if there was any interest, if there was no interest then nothing could be done so there would have been no need to consult with people.

2. Q. Why weren't members consulted if the club is running at a loss?

A. The council was not under the same financial pressure in the past as it is now so the subsidy for Stressholme was not so much of an issue.

3. Q. Cllr Dixon said that Stressholme will be put out to farm land if Blackwell doesn't go ahead?

A. While the cabinet report outlined this as the next best option after the Blackwell deal, a definite decision around what will happen has not been made.

4. Q. What is the actual subsidy, first it was reported to be £87k, then £178k then a recent rumour that it has increased to £278k and the recent email from a councillor showing £350k? Are we subsidising the councillors and are the profits being diverted back to Dolphin centre. Some members were told 18 months ago that Stressholme was in the black.

A. Stressholme has been subsidised by the council for a number of years. The current predicted figure is £178k, as with any business the predicted end of year figures vary, depending upon changes in income or unforeseen expenditure. Financial summaries over the last 5 years can be provided, summarising income and expenditure.

5. Q. The letter I was sent made me feel I was being dealt with contempt, the letter was not well phrased.

A. Apologies that the letter made you feel that way, it was not our intention.

6. Q. Is it a merger or a takeover?

A. BGGC-Blackwell is a Limited Company with a Board of Directors and Memorandum of Association / Articles of Association, registered at Companies House. It is a separate legal entity for Corporation Tax purposes. Stressholme Golf Club is not a separate legal entity; it is an operating unit of DBC.

Blackwell Golf Club Limited is simply purchasing the land, buildings and assets at Stressholme and relocating its business there.

7. Q. Can Stressholme members be part of the committee straight away? Will you change the constitution to allow Stressholme members to be part of the elected committee?

A. BGGC: In line with other golf clubs, Blackwell Articles of Association state that you need to be a member for 2 years before you can stand for election to the Executive Committee.

However, Blackwell do wish to tap into the experience and goodwill of the members at Stressholme and intend to invite members to join Transitional working Parties along with BGGC Executive members to effect a smooth transition.

Plans are already in place for Blackwell Captain / Vice Captain / Ladies Captain and Senior sections to

meet with their opposite numbers both on the golf course and socially, but we would like this to be managed within an overall Transition framework.

8. Q. Blackwell was my first golf club and it originally had a 5 years waiting list, how many members have you lost, the course also is not as good now as it was 5 years ago.

A. BGGC: Blackwell has lost £100k in revenue over the past few years and has had some problems with the quality of the course that is down to the land, not maintenance.

9. Q. How will Blackwell make it viable for golf club? Are you able to run Stressholme profitably and in a viable manner?

A. BGGC: By trying to retain members from both clubs and trying to keep fees as low as possible, we are aiming for fees somewhere between Stressholme at £449 and Blackwell at £630. The club will also have an influx of cash from the sale of Blackwell club house, the sale of Blackwell land to the council, and the potential development of the land in the future. All of this money will be invested in the club which would not happen if it remained council owned. We see this as a win-win situation for all members.

10. Q. Will members of Stressholme have to pay a joining fee or will they automatically become members?

A. BGGC: There is no joining fee

11. Q. Do you have to propose and second?

A. BGGC: No you just apply

12. Q. Is there a discount for seniors?

A. BGGC: There is currently a £100 concession for over 70's who have been a member for 25 years, if applied for.

13. Q. Stressholme has a rolling year membership how will this work? We can also pay by DDR, will this still be available?

A. BGGC: Blackwell has a 1 Oct renewal; we still need to work out if the rolling membership could work. We will work on this through the transition and keep you updated. Blackwell is not a licenced credit provider and uses a third party provider for members to be able to pay over 12 months, but we are also investigating the use of direct debits.

14. Q. A viable Business Plan must be a challenge for Blackwell; shouldn't this have been done before the deal was agreed?

A. BGGC: There is a draft plan that needs to be finalised following due diligence, it will be verified by a firm of independent chartered accountants. This could not be carried out until the Blackwell members had voted. Blackwell are also appointing an independent firm of solicitors to carry out legal due diligence.

15. Q. Will improvements continue at Stressholme?

A. Yes. Stressholme will continue to operate and be maintained as normal until the transfer.

16. Q. When is the transfer likely to happen?

A. There is not a set date but both parties are keen to complete ASAP rather than drag on the uncertainty. It is hoped it will take place during 2013.

17. Q. With more members, the facilities won't cope. There are not enough lockers and changing rooms for current members? Members not allowed in the club house, there's a tiny little area for them. There's upstairs but that doesn't have a bar.

A. BGGC: Preliminary studies have already been carried out identifying the priority actions required, but any final decision will not take place until formal quotations are received and value for money established.

This includes changing room expansion, car parking, green keeper buildings, security fencing , course improvement and clubhouse enhancement , but not all will happen at once .

18. Q. Why isn't a councillor here?

A. The people here felt that they could answer all the questions.

19. Q. Can we have cross club competitions? It would be good for the clubs to get together to

A. BGGC: See A7.

20. Q. The lack of communication from the Council is main issue. Can we have transparency going forward?

A. The council has endeavoured to keep the members up to date by writing to them directly as well as issuing press releases. Letters were sent to all members in January, June, September and November to inform members of the progress and expected timescales. Once the Councils Cabinet had made an in principle decision and the Blackwell members had voted Yes, this then gave us the opportunity to consult with Stressholme members, prior to this it was just an idea that may well have not progressed.

BGGC: Blackwell will continue to issue periodic Briefing Notes to Blackwell members from BGGC Chairman; these can be made available to DBC for circulation.

21. Q. Can you publish the accounts for the last 3 to 4 years showing the income and expenditure breakdown?

A. DBC Financial Statements have been made available; they are displayed on the notice board in Stressholme.

22. Q. Can you clarify which is losing money at Stressholme, the Club house or the golf course?

A. They are both losing money and the council cannot continue to subsidise this. The current deficit is £180k.

23. Q. Was it ever the intention to put Stressholme up for sale?

A. An options appraisal was undertaken to decide on the best course of action for the council and for Stressholme. The Blackwell option was much more beneficial on both fronts as it not only secured land for executive housing but it allowed future investment at Stressholme and also reduced the number of golf clubs in the Borough.

24. Q. Have you tested the market, you have no idea what the land is worth?

A. While Stressholme has not actually been put on the market a full review of the golf club market and golf club valuations has been undertaken, therefore we feel the current valuation of £750k accurately reflects the current market.

25. Do current members at Stressholme need to re-apply to become a member?

A. BGGC: Some current Stressholme members may not wish to join Blackwell. Stressholme Members who do wish to join Blackwell will need to apply to become a member in accordance with Blackwell Articles of Association, this is a formal requirement that all current Blackwell members have also been through and ensures that individual data protection is not compromised. However, all current Stressholme members will be actively encouraged to join Blackwell Grange Golf Club.

26. Q. What are the current membership numbers of Blackwell and Stressholme?

A. Blackwell currently has approximately 400 members, Stressholme has approximately 500 members, including full time and 5 day members.

27. Q. What will the number of members be at the 'new' club?

A. BGGC: This is clearly impossible to predict, but we anticipate that there will be a in the order of 700/750 playing members plus social members, as not all current members will remain.

28. Q. Will current Stressholme members automatically become a member?

A. BGGC. See A25.

29. Q. Will current Stressholme members get membership over 'outsiders'?

A. BGGC: This has not yet been addressed and will form part of the Transition Plan, but it sounds like a fair point.

30. Q. Why don't you contact existing members at both clubs to see if they would be interested in joining, this will give an idea of numbers as we may be worrying about not enough spaces when the interested numbers might not exceed the limit?

A. Yes we will do this. DBC will write to all current members of Stressholme to see if they would be interested in being a member of Blackwell Grange Golf Club when it moves to Stressholme.

29. Q. How much will it cost to be a member at the new club?

A. BGGC: See also A9. This will be evaluated following due diligence, but full playing membership is likely to be between Blackwell £630 pa and Stressholme £449 pa.

30. Q. If this doesn't go ahead what will happen?

A. Services will have to be cut back.

31. Q. If it's a done deal why wait until January?

A. We are obliged to undertake Consultation which is taking place until end of December. The outcome of this consultation and final report will go to Cabinet and Council for a decision in January. It is not a done deal until this point.

32. Q. Are Blackwell aware of the state of the course?

A. BGGC: DBC Agronomist reports have been made available to BGGC and will form part of the due diligence process. However, reports from Blackwell members who have played Stressholme recently have been very favourable.

33. Q. What improvements will be made around the course?

A. BGGC: We will ask members what they want. If it's affordable we will do it. All views are welcome.

34. Q. What will happen to the staff in both clubs?

A. TUPE applies to the staff and HR processes will be followed. There will be jobs at risk and there will be some redundancies. Staff at both clubs have been and will continue to be properly consulted in accordance with the law and good practice.

35. Q. Will this help save the dolphin centre, that will be next?

A. The Council is facing a massive budget challenge, it is estimated that the council will need to reduce its budgets by a further £15m from a budget of £80.5m in 2102/3 this in addition to the £24m it has already agreed since 2010. Savings achieved by removing the subsidy of Stressholme will improve the financial position of the Council but at this moment in time all services are subject to review and the Council will produce proposals to reduce the budget by £15m in the summer of 2013 for public consultation.

36. Q. What about the golf pro Ralph, he has lots of say and input?

A. BGGC: Ralph is the professional at both Blackwell and Stressholme and well known to all members. We anticipate working with Ralph in ensuring a smooth transition.

Should you have any questions regarding these questions and answers or further comments on the proposals please email:-

Golf.consultation@darlington.gov.uk