

Key Matter – Formation of a Drainage & irrigation Reserve Fund
Responses received from members during consultation period
Replies in red from The Board

Firstly can I commend the Board for addressing a problem which has been ignored by numerous Committees

As your email states this will be a substantial investment for the Club and I feel that this should not be undertaken until the Club has its own dedicated/protected water supply This was recommended by Jonathan Gaunt a former architect to the Course (redesign of the 17th and other projects)

At present water is pumped from the Powmaughan to our storage tanks In this era of climate change and predicted periods of possible severe drought the Club cannot be held hostage to the whims of the Environment Agency who could suddenly stop our extraction from the Powmaughan and also stop us filling our tanks from the mains supply just when the Course desperately needs it.

Perhaps the Board could consider factoring in a Course lake/reservoir into the plans and costing of this project

Thank you for your email and for your supportive comments.

Securing a dedicated and protected water supply is essential. We fully agree that there is little sense in investing significantly in irrigation infrastructure without carefully considering long-term water resilience, particularly given climate pressures and potential Environment Agency restrictions.

As we move into the next phase, the wider plan will look at a variety of options to strengthen our water security, including boreholes and additional on-course storage. The idea of a lake or reservoir, potentially down the left of the 12th, is one concept that would require detailed feasibility and environmental investigation.

I welcome drainage appraisal proposals on the replacement and upgrade of the drainage system which might mitigate and protect the long term viability of the club against future climate change.

It's apparent from your email that the whole course needs an upgrade - a holistic approach and we cannot just look at areas of the course most in need of upgraded drainage facilities.

I would support this motion and hope you will be able to carry this motion to set aside yearly profits for a few years to achieve a long term (probably expensive) outcome that some members may not see the benefit of in the short term.

Presumably the work would also involve disruption and closure of certain areas as the future work progressed.

Hopefully selecting a contractor that comes with recommendations from other courses and with a history of planning any disruption while still achieving effective golf course drainage outcomes.

Am sure the committee would give careful consideration to selecting the best value contractor to complete the work and not necessarily the cheapest.

Long term visible financial viability of any contracting company would need to be considered to ensure they would return to fix any problems AND maintain the new facilities.

Regards and good luck

Thank you for your supportive and constructive message.

You are right, this has to be a holistic project rather than simply fixing isolated areas. If we move forward it will be with a clear long term plan and careful thought.

We also agree that disruption and contractor selection will be key considerations. Experience, reputation and financial stability will be just as important as cost.

Very important but we could also do with some hot water in the taps

The hot water and heating system is currently being looked at. It is an ongoing issue and is being treated as a priority to resolve as quickly as possible.

I personally think this is needed to keep the course to the standard we as members expect. I would even go further and as my previous emails suggested look to harvest water and look at installing a borehole as inevitably we will be charged for taking water from the stream on the 17th.

I believe the club contacted JDP at Longtown who attended and worked out what would be required but as far as I'm aware the club didn't get back in touch . You should still have my previous email as I think we could collect rainwater from the roofs and store it . This would benefit all members .

We agree that water harvesting and options such as a borehole need to be part of the wider conversation. As we move forward, all realistic solutions to secure and future proof our water supply will be properly reviewed, including rainwater collection and storage.

Your previous suggestions are noted, and these ideas will form part of the broader investigation as the project develops.

I have been considering the proposal to ring fence money for the irrigation system. While I recognise this is necessary, by ring fencing it, if there was an urgent matter arose in the meantime and the money was needed there would need to be another proposal to release the funds. Rather than ring fencing just for irrigation could it not be reserved for major works?

The intention behind ring fencing the fund is to ensure that money set aside for this purpose is protected and not gradually absorbed into day to day expenditure. That said, any reserve fund would ultimately remain under the control of the Board and the membership, and in the event of a genuine emergency there would always be a mechanism to review its use.

We note the Board have identified D&I as the highest priority for the Club. In September 2024, D&I works were assessed by the then Board as 12th out of a possible 13 projects. It was similarly assessed in the previous year. What has changed in the last year to elevate D&I to the top of the priority list?

The change in priority is not because the physical condition of the course has suddenly altered in the last twelve months, but because the current Board has revisited the full project list and reassessed it strategically.

During that review, it was agreed that several items previously listed as major projects could in fact be delivered as business as usual through operational budgets. Others were considered improvements or cosmetic upgrades rather than long term infrastructure risks.

Drainage and irrigation sit in a different category. It is not a facelift project. It is core infrastructure that will, at some point, require significant investment. Given the likely scale of cost, the Board felt it was prudent to begin building financial provision now so that when the works do become unavoidable, the Club is prepared rather than reacting.

How did the Board establish the value of the “surplus” at £40,000?

The £40,000 represents the surplus generated at the end of the 2024 to 2025 accounting period once all income, expenditure and year end adjustments were accounted for in consultation with the Club’s accountant.

The Board could not simply “spend” that surplus after the year had closed. Instead, the decision was whether to leave it as part of general retained earnings or to designate it toward a specific future capital requirement.

Given that Drainage and Irrigation had already been identified as a significant long term infrastructure need, the Board resolved to earmark the surplus toward future major investment rather than leave it undesignated.

What criteria did the Board use to establish that the “surplus” was actually surplus, not generated out of cash flow timing differences and no longer required for other purposes?

The £40,000 figure was determined following completion of the 2024 to 2025 year end accounts, once all income and expenditure had been properly recognised and all known liabilities, accruals and prepayments had been accounted for in consultation with the Club’s accountant. It was therefore an accounting surplus, not simply a bank balance at a point in time.

To ensure the surplus was not the result of short term cash flow timing differences, the Board reviewed the approved 2025/2026 budget in detail, including committed expenditure for the simulator project and the phased machinery replacement programme extending into future years. Historic spending patterns from 2023/2024 and 2024/2025 were also compared against projected 2025/2026 cash flow requirements.

Based on that structured review of forward commitments and projected cash requirements, the Board was satisfied that the £40,000 was not already required for identified liabilities or approved

capital expenditure. It was therefore reasonable to designate the surplus toward future major infrastructure rather than leave it within general reserves.

This was a considered financial decision made following proper accounting review and forward budget analysis.

Should the Club generate a “deficit” cash position in this or other future years, will the cash reserve be used to return funds to the operational cashflow of the Club?

The purpose of establishing a designated reserve is to build financial capacity for known future infrastructure requirements. It is not intended to restrict the Club’s ability to operate responsibly.

If, in any future year, the Club were to experience genuine financial pressure, the Board would of course review the overall financial position at that time. Any reserve ultimately remains under the control of the Board and the membership, and can only be used in accordance with proper governance and decision making processes.

The reserve is intended to prepare the Club for major future capital works, not to be used to cover normal year to year operating shortfalls.

If and when a D&I project is brought to the members and the members reject that project, how will the funds be returned to the operational cashflow? or will they still be ring fenced for a future Board to represent a revised new project?

If, at the point a detailed Drainage and Irrigation proposal is presented, the membership chooses not to proceed, the designated funds would not simply be locked away indefinitely.

The reserve remains under the control of the Board and the membership. In that scenario, members would determine the appropriate next step. That could include retaining the funds for a revised infrastructure proposal, broadening the designation to major capital works, or formally releasing the funds back into general reserves.

The key point is that designation does not remove member control. It simply identifies the intended purpose unless and until members decide otherwise.

Can the Board explain what advantage there is to members for ring fencing substantial funds with no approved Project in place?

Ring fencing funds at this stage is not intended to suggest that a future project could be delivered without member approval, and it does not remove the possibility that a levy or borrowing may ultimately be required.

The advantage is that it reduces the scale of that requirement.

Major infrastructure projects are likely to run into significant sums. Beginning to build a reserve now means that, when a fully developed proposal is eventually presented, the Club will already have contributed meaningful capital toward it. That reduces reliance on debt, lowers interest exposure and potentially reduces the size of any levy required.

It also demonstrates to members and lenders that the Club has taken a disciplined and forward looking approach to funding.

Are the Board proposing to kick off a consultation process with the members given the priority they have given to D&I and the need to put aside funds to pay for it?

Yes, member consultation will form an important part of this process. The proposal at this stage is to begin building financial provision, not to approve a finalised project.

Before any detailed Drainage and Irrigation scheme is brought forward, there would be feasibility work, cost validation and engagement with members so that everyone understands the scope, funding options and implications.

No project of this scale would proceed without being properly presented to, and approved by, the membership.

Can the Board confirm they considered the option of just leaving the “surplus” cash on general deposit until after a D&I Key Matter process has been completed? If yes, can the Board explain why that option was rejected in favour of ring-fencing?

Yes, the option of leaving the surplus within general reserves until a full Drainage and Irrigation process had been completed was considered.

The Board’s view was that formally designating the funds now provides greater financial discipline and transparency. Leaving the surplus in general reserves risks it being gradually absorbed into normal operational spending over time, particularly across multiple budget cycles.

Ring fencing does not commit the Club to a final project design or prevent future member decision making. It simply makes clear that these funds are being set aside for long term infrastructure rather than remaining undesignated.

The decision was therefore about clarity of intent and prudent financial planning, rather than accelerating or pre-approving a specific project.

Can the Board confirm it is their intention to have a Key Matter vote every year to ring fence more cash or is the intention to treat this vote as a perpetual authority to do so?

It is not the intention to treat this as a perpetual authority.

Any future allocation of surplus into a designated reserve would remain subject to proper governance and annual financial review. Surpluses cannot be assumed in advance, and any decision to designate further funds would be considered in the context of that year’s financial position and priorities.

The purpose of this vote is to approve the principle of beginning to build a reserve. It does not create an automatic mechanism to ring fence funds indefinitely without further scrutiny.

Each year's financial outcome and proposed allocation would remain transparent and accountable to the membership.

NOTE

The Board recognises that members want clarity and reassurance around long term strategy. The proposal currently put to members does not approve a specific Drainage and Irrigation project. It authorises the Club to begin structured financial preparation for infrastructure that will, at some stage, require significant investment. Initial planning and investigative work has already begun, and members will be kept fully informed as that progresses. Detailed feasibility, scope definition and funding options will be brought to members separately for consideration and approval.