

## AGM Question Responses

In the lead up to the 2020 Scottish Golf AGM, hosted via Zoom Webinar, we asked golf clubs to submit any questions they may have in advance.

Due to time constraints, we could not answer every question on the night, but we have compiled responses to those we did receive, and these can be found below.

## World Handicap System (WHS)

### **Is the World Handicap System implementation still scheduled for 2<sup>nd</sup> November?**

While we have had discussions on whether the current pandemic would delay the implementation of WHS, we are pleased to confirm that this will not impact our ability to proceed as planned on the 2<sup>nd</sup> November 2020 across Scotland.

We are in the process of finalising a range of support for our affiliated Scottish golf clubs. This support will include:

- A WHS Readiness Document which will outline the process for all affiliated Scottish Golf Clubs to make the transition to the new system.
- Access to the WHS area of our new online learning platform, Hive. This area will also enable you to connect with fellow clubs to exchange best practice, tips, insights, and ideas. Members of the Scottish Golf team will also be on hand to answer any queries you may have regarding WHS on Hive.
- A variety of materials, such as WHS rule books, “What’s Changed?” posters, and Players’ Guides will be distributed to all clubs.

We hope the above support will help clubs during the transitional period as we work towards the implementation date later this year.

### **Do we have time to implement the new handicap system given the delay in start-up of competitions and lockdown?**

We appreciate that there has been a delay in the start-up of competitions due to COVID-19, but as we will be using historic playing records from the CDH for the initial WHS handicap calculation, this information will allow Scottish Golf to perform initial calculations for all golfers in Scotland.

The only change due to COVID-19 is that we will be going back an additional year to make up the scoring records. This change will not have any direct impact on our golf clubs.

**Can you confirm that we will not need to use an extra system from yourselves for entering any scores and will be able to do it all through our current ISV? Are independent software providers going to be compliant with the WHS?**

As part of the implementation of WHS in November 2020, the governing bodies of amateur golf in Scotland, England, Ireland and Wales will now become the official licensee for all handicap calculations in Great Britain and Ireland.

All handicap calculations will be done centrally by each home nation and no Independent Software Vendors (ISVs) will be licensed to calculate any handicaps in GB&I.

While ISVs will no longer be licenced to perform the handicap calculation, they will be licensed to continue to perform certain roles within the club that relate to handicapping.

This will allow Clubs to continue posting scores through their ISV in the same way they currently do so. However, ISVs will not be in control of players' WHS handicap information. This will be controlled centrally by Scottish Golf and can be accessed by the individual golfer and golf club directly.

To be WHS approved, all ISVs will be required to sign up to the new license/requirements. We have also had enquiries from new ISVs looking to enter the Scottish market and we believe that by licensing these new providers, this will give clubs an even greater choice of provider should the wish to continue to use an ISV. The WHS licence will be issued to all approved ISVs over the coming weeks.

**The Club would be interested to find out where Scottish Golf are with WHS. It was intended to have everyone's new handicap index on the app some time ago. Even allowing for the current situation should it not be fairly simple to port the new index from the CDH?**

We will be performing the initial WHS calculation for golfers across Scotland at the end of July/start of August. We feel it is important to educate golfers on the new calculation of handicaps and provide them a transitional phase before November 2nd. During this phase, golfers will see their potential handicap index and the effect their competition scores will have on their handicap.

Before we can calculate the initial handicap index, we need to work with our affiliated clubs to address the significant CDH issue that we have identified through working with our new provider. These issues have been the result of inaccurate player management within the CDH over recent years.

For example, over 370,000 CDH numbers currently exist on file but we currently have around 90,000 golf club members with a handicap in Scotland, this means there is an average of 4 CDH ID's per player.

There are thousands of golf club members in Scotland who have a handicap but have not been issued with the necessary CDH ID. This should not be allowed to happen but unfortunately is permitted by some software providers systems.

Finally, there are thousands of scores that have been uploaded to the CDH without the necessary information for these scores to support an initial WHS calculation. If we do not address these issues and help clubs to find solutions before doing the initial calculation, far too many golfers would be impacted and put simply, their handicaps would not be accurate.

**What is the expected time frame for our course to have a new rating, considering some new tees positions are proposed, and can we submit an application for a measured "blue tee" course?**

Considering the current situation we find ourselves in, we have taken the decision to cancel Course rating for the remainder of this year. The safety and wellbeing of our volunteers and staff will always be our number one priority and given the current situation, this cannot be guaranteed.

As with all the decisions we have taken in recent months, including the cancellation of the 2020 Scottish Golf events calendar, we have closely followed the latest Scottish Government and **sportscotland** advice. At present, it remains the case that events where groups of more than five households congregate at any one time are not permitted. Course rating visits often involve teams of five or more, and even when in smaller teams, Rating often involves sharing equipment and paperwork and Scottish Golf is not willing to put anyone at unnecessary risk.

We have also had to consider that many courses have, until recently, been maintained by limited greenkeeping staff due to furlough. As a result some courses are not representative of normal mid-season playing conditions that we would normally rate under, with thicker ball losing rough being prevalent.

Despite the challenges we all face, we are pleased to report that course rating in Scotland remains in a very strong position. We have Course & Slope Rating information available for every course which will ensure that all of our clubs are ready for the launch of the World Handicap System (WHS) on November 2<sup>nd</sup> 2020.

For WHS all current sets of tees have the required 9- and 18-hole ratings necessary for WHS and over the last 6 months we have been working hard to add additional sets of tees to the system. This has been a massive project and we have made huge progress on multiple tee ratings, which we will issue to all clubs in due course.

#### **When does Scottish Golf expect to forward guidance for Supplementary Scores?**

Our guidance for clubs regarding supplementary scores is the same as our guidance for competitive play. These guidelines can be found [here](#). While there may be some rule changes in place, should clubs be able to implement a procedure in accordance with this guidance for supplementary scores to be submitted, this will be permissible in the same way club competitions are.

#### **What is the latest position on the proposal to give nomadic golfers a handicap?**

One of the founding principles of WHS is to make handicapping accessible to everyone.

WHS provides us all with an opportunity to promote the game to everyone to support growth and this continues to be a key focus of our strategy as we move into the second half of 2020.

Based on the latest data, Scottish Golf is aware that there are currently three-times as many pay-per-play golfers as there are club members. In Scotland, this equates to around 500,000 golfers who are not currently engaged in the Scottish Golf pathway.

By encouraging these golfers to obtain and maintain a handicap, we will look to create a pathway for these golfers back into club membership while also ensuring that clubs receive the appropriate amount for green fees at your clubs.

By working together to get this right, golf clubs will not only benefit from the increased revenue generated but will also see a growth in club membership which has been experienced in other countries running similar initiatives.

It has never been our intention to attract current club members and we agree that there needs to be strict requirements put in place to discourage members from leaving their clubs. One example of this will be the significant period put in place to ensure golfers are not able to leave a golf club to sign up to our nomadic golfer membership.

There is an increased risk that if we do not work collaboratively on this, there are several commercial partners looking to set up virtual golf clubs with the sole purpose of offering golfers handicaps. These commercial parties do not have any interest in developing golf in Scotland and will focus solely on

generating their own revenue – they will be more than happy to take club members. We need to address this threat quickly.

We have put together a clear approach on how we want to deliver this and will begin sharing this approach with all stakeholders soon.

**Are there potential legal cases relating to the new SGL software? If yes, how much financial reserve do we have to cover Legal fees, court costs and any damages?**

No, there are no current legal cases with any ISV relating to our Venue Management System and we have been in contact with them all regarding the implementation of WHS and how they will be able to integrate with the Scottish Golf system.

## Venue Management System (VMS)

**When will the VMS be ready for all clubs and if it is ready how do we go about getting onto it?**

The Scottish Golf Venue Management System is available now to all affiliated Scottish golf clubs. To enquire about your club adopting the system, click [here](#).

**When will the Scottish Golf website/app be fully functional?**

The Scottish golf website has been live and fully functional since February 2020. We currently have 15,000 golfers using the Scottish Golf app and while improvements are ongoing, it is fully functional and being used for bookings and competition entry/scoring across Scotland.

**What are the plans now for the VMS, is there to be a delay in its installation?**

There will be no delay in the roll out of VMS and this is ongoing at many clubs across Scotland right now.

**What protections are built into the contractual arrangements with OCS to ensure continuity if access to the system if there was a breakdown in the relationship and what assurances can be given to clubs that the cost of VMS will always be covered by the affiliation fee or other SG revenues.**

The arrangement with OCS is a standard commercial license and very similar to the way they work with the likes of the R&A, the LPGA and the LET. By having a licensed product as opposed to owned, it allows us to benefit from ongoing development OCS do without any extra cost to Scottish Golf. We can assure clubs that the system will always be provided to clubs at no additional costs.

**How robust is VMS as experienced during the trials/development process?**

From a robustness point of view, VMS is a solid product. VMS is ready to use now and it has been so encouraging to see clubs from across Scotland coming to the table once they have had a chance to see what we have developed. We have had a number of clubs who decided the system wasn't for them this time last year, but now having seen the product further down the line have come on board and we thank these clubs for coming back and having a second look. In the last 18 months, we have relied on, and are very grateful, for the support of clubs who became early adopters of the system. These clubs have helped us to build a system that meets the needs of golf clubs in Scotland. We now have more than 285 clubs engaged at various levels of VMS, with more than 60,000 golfers in the system and more than 15,000 actively using the app.

**How much has Scottish Golf paid to OCS in respect of the Venue Management System and what are the ongoing payment arrangements to OCS in respect of VMS.**

With regards to the financial relationship between OCS and Scottish Golf, that is confidential for legal reasons.

**How many staff at SG are assigned to the VMS and what are the total staff costs attributable?**

Staffing levels are dependent on workload and roll out requirements.

**Is it the intention of SG to freeze out other providers of management systems such as Club V1, thus reducing the independence of Golf Clubs to choose.**

No. As part of the implementation of WHS in November 2020, the governing bodies of amateur golf in Scotland, England, Ireland and Wales will now become the official licensee for all handicap calculations in Great Britain and Ireland.

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To be WHS approved, all ISVs will be required to sign up to the new license/requirements. We have also had enquiries from new ISVs looking to enter the Scottish market and we believe that by licensing these new providers, this will give clubs an even greater choice of provider should the wish to continue to use an ISV. The WHS licence will be issued to all approved ISVs over the coming weeks.

In summary, clubs will still be able to use any licensed ISVs as they do now, the only difference will be in the managing of handicaps.

**With regards to Scottish Golf App, what considerations have you given to the financial impact for those clubs (and members) who already have invested in an electronic handicapping / booking system such as Club V1?**

No club will suffer financially because of VMS. As outlined above, should clubs wish to continue with their current ISV in the way they do now, they will be able to do so. The only change will be the way in which handicaps are managed, but this will not have an adverse effect on the club.

## **Finance**

**The R&A announced a donation of £7m between the national associations in May. Can you please let us know what Scottish Golf intend to do with their share?**

The £7m quoted is the worldwide investment made by The R&A. The GB&I share of that is £4m which has been allocated based on number of clubs in each country and our share is £685,000. Full details of these funds were shared with member clubs on Monday 29 June. The funders have outlined some key criteria that is consistent across GB&I which have been built into the terms and conditions. Applications were made available, through a short online process until 24 July. Two funding pots were made available to clubs: the COVID-19 Fixed Costs Grant allowing clubs to apply for up to £500 for COVID related spend, and the Club Relief Fund giving clubs the opportunity to apply for between

£1,000 and £5,000 to enable clubs to reinstate or to increase expenditure in key areas to either improve member experience or boost income generation potential. Applications will be assessed, and decisions made by 7 August and we envisage having grants paid out by late August.

**Whilst the Government offered Grants and support to some clubs, these were based on rateable values of property rather than the impact of the disruption on the clubs themselves. Why do clubs with a higher rateable value miss out on resourcing loans that lower rateable valued clubs can obtain?**

The rateable value limits that are used for assessing eligibility for grant funding are set by government. We, along with other sports who have clubs in the same position have highlighted that this has caused inequality and potential financial detriment to clubs, particularly where a threshold was narrowly missed. The data we gathered from the financial health check survey has been collated and used as evidence to government, unfortunately only 161 clubs provided us with data, so our sample size was not as large as we had hoped. To date there has been no indication that government will move on these limits, however we have chosen to increase the weighting within our scoring matrix for the R&A Grant funding for those clubs whose rateable value has meant they haven't been able to access government grants.

**Can you please update us if any further financial assistance is available for smaller clubs?**

As noted above, £685,000 of R&A funding has been made available to all affiliated Scottish clubs and seeks to deliver the money where it is needed most.

**We would propose the executive are tasked with presenting an alternative funding structure which sees smaller clubs pay a significantly smaller proportion of their revenues as affiliation fees. If there is no appetite to introduce such a system then can the executive devise an alternative, lower cost membership category for smaller clubs, perhaps an "SG Lite" where many of the less relevant club services can be omitted?**

It is our belief that the vast majority of golf clubs now pass the per capita fee onto their individual members, and as such there are no overhead direct to the golf club.

**At the end of April, 40% of affiliation fees were still outstanding from member clubs. What is the current percentage still owed?**

Currently we have 20% with all but 26 clubs either paying by month end or on committed payment plans to clear the balance before our year end. The monetary value of the 26 clubs where we have not had any response is c50k – we will be following these up and appropriate sanctions taken against clubs who do not engage with payment or plans to pay.

**Re Scottish Seniors Men and Women's teams, what decisions have been made regarding future participation in European Championships?**

Clearly the decision taken to cancel all events and performance activity in 2020 and redirect the resources to club support means that no teams are participating in European Championships this year. No decisions for 2021 or beyond have been taken, and as outlined we plan to issue a survey to members asking what services and investment we should be making and we plan to use that detail to shape our future budget allocation.

## COVID-19

### **Following a government lockdown announcement affecting golf, why does it take until late afternoon before Scottish Golf issue a statement?**

The most important thing for golfers to remember is that we are back playing as an extension to exercise and not as a return to sport and as a result it is government that are determining the terms on which we issue information that aligns with restrictions. There is a stringent sign-off process that sits in the background and whilst we always submit our guidance well in advance of any planned announcement and are given feedback from **sportscotland**, Active Scotland and Public Health Scotland, there is a review takes place immediately after each FM announcement and a requirement for a second submission of our plans to be made for final sign-off. We react as quickly as we can and have consistently been the first sport to issue guidance to members over the last month.

### **What support can we access to help with promoting our club/region for visitor golf?**

There are several regional tourism groups who are actively making plans at this time. Our Club Business Manager engages with these groups and we will ask him to reach out to clubs who need it with more information.

## Strategy

### **Can we expect the member communication to improve? With opportunities for Clubs to provide feedback and engage with the overall strategy for the organisation?**

As with many other businesses, we made some immediate short-term changes because of COVID-19 which include working from home, use of video conferencing, delivery of education/club support online. We anticipate that some of these things will stay as the new normal and we are also considering some of the wider aspects such as our future office needs and location of our team. The stakeholder survey previously mentioned will be used in reviewing and potentially reshaping the support services and resources that we offer moving forward. What is key for us is regular communication and engagement with our membership - our communications will continue in bulletin format, we are planning to continue with webinars that allow engagement and questions from the audience and we are also looking to roll out a new learning platform HIVE which will become an education resource that also allows sharing of best practice amongst golf clubs. One aspect that has not had the engagement we would have hoped for in the last year or two has been the Regional Forums, where too often there were only a handful of committed individuals joined these twice-yearly meetings. Within the last 2 months our COO Karin Sharp has used Zoom to engage directly with Area & County delegates and based on the feedback received, and certainly from a Scottish Golf perspective, these were extremely helpful. We plan to roll that out further and to use a similar approach to include clubs on a regional basis. Engagement and communication with all stakeholders are hugely important and we continue to look for opportunities and innovative ways in which we can do more on this front.

Thank you to all those clubs who submitted a question, we hope these provide clarity, should you have any more questions, please get in touch via [info@scottishgolf.org](mailto:info@scottishgolf.org).

Scottish Golf